



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI  
Interim Chief Executive Officer

January 22, 2015

To: Mayor Michael D. Antonovich  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

From: Sachi A. Hamai  
Interim Chief Executive Officer

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR 2013-14

Attached is the *Chief Executive Office Risk Management Annual Report, Fiscal Year 2013-14*, that:

- Contains summaries of the past three fiscal year losses and costs for the County of Los Angeles' (County) exposures to Vehicle Liability, General Liability, Medical Malpractice, and Workers' Compensation;
- Will help departments recognize the nature and extent of their exposures and losses, with other reports provided throughout the year; and
- Will help departments' efforts to strengthen their return-to-work processes, loss control and prevention activities, and corrective action plans.

As contained in the report, the County realized reduction in the overall Cost of Risk for Fiscal Year (FY) 2013-14, as highlighted below:

- The County's total Cost of Risk continued its downward trend from 2.17 percent of the County's Operating Budget in FY 2011-12 to 2.10 percent in FY 2013-14.
- The County's Employment Practices Liability continued a three-year downward trend in frequency and severity, decreasing 3.7 percent and 11.8 percent, respectively.
- The County's Vehicle Liability continued a three-year downward trend in frequency, decreasing 3.5 percent in FY 2013-14, and remained relatively flat in severity compared to FY 2011-12.
- Other General Liability frequency and severity increased 28.5 percent and 34.9 percent, respectively.
- Medical Malpractice Liability continued a three-year downward trend in frequency, decreasing 3.1 percent; severity increased 28.5 percent.
- Law Enforcement Liability frequency increased 21.1 percent, and paid claim severity increased 2.5 percent.

*"To Enrich Lives Through Effective And Caring Service"*

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- Workers' Compensation expenses continue to rise with the passage of increasingly costly legislation. However, the County's efforts to prevent and manage claims have resulted in slight program changes with an increase in claims of only 0.7 percent, while the costs of claims decreased 1.1 percent.

### **Countywide Risk Management Program**

Support of risk management activities is essential in reducing the County's Cost of Risk. Commitment towards this endeavor is demonstrated from the Board of Supervisors and Department Heads, as follows:

#### **Board of Supervisors**

1. Supporting the on-going efforts of the Legal Exposure Reduction Committee (LERC);
2. Developing corrective action plans;
3. Developing Countywide and departmental risk tolerance and reduction goals; and
4. Developing mandatory risk management-related performance goals for Department Heads.

#### **Department Heads**

1. Embracing risk management-related performance goals;
2. Supporting departmental risk management programs and coordinators;
3. Promoting safety and return-to-work activities; and
4. Taking a leadership role in prevention activities and embracing risk reduction activities.

Although these commitments contribute to improvements in the Countywide risk management program, continued support from Department Heads will further enhance it. An aggressive and effective loss control and prevention program requires each department to identify their primary costs of risk by:

1. Evaluating risk components of business operations;
2. Completing thorough incident investigations and reviews;
3. Reviewing trend and loss data; and
4. Selecting and implementing methodologies to address identified costs of risk.

Early development and implementation of corrective action plans will help reduce the potential for recurrence. The Chief Executive Office (CEO) provides support for these efforts by:

1. Consulting with department staff;
2. Providing recommendations based on best practices and assisting with their implementation;
3. Consulting and approving corrective actions plans;
4. Developing and communicating Countywide corrective action plans;
5. Providing training regarding risk management, safety, claims, and return-to-work subjects;

Each Supervisor  
January 22, 2015  
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6. Distributing monthly tort liability and workers' compensation loss data to each department; and
7. Maintaining the Enterprise Risk Information Center dashboard.

This report represents the combined efforts of the entire CEO Risk Management Branch team. Input and analysis was provided by staff of Claims Management, Disability Management and Return-to-Work, Loss Control and Prevention, Risk Management Inspector General, Risk Management Operations, and Workers' Compensation.

If you have any questions, please have your staff contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

SAH:BC  
STR:sg

Attachment

c: All Department Heads



## Annual Report

# Inside County Risk

**Fiscal Year 2013-14**



Steven T. Robles, County Risk Manager  
Chief Executive Office  
Risk Management Branch

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# Risk Manager's Message

The County of Los Angeles (County) Chief Executive Office (CEO) is pleased to provide its Risk Management Annual Report for Fiscal Year 2013-14.

Fiscal Year 2013-14 continued to develop upon the early successes of leadership change at the CEO Risk Management Branch. Efforts continue to focus on establishing the risk management infrastructure necessary for a sustainable program. This infrastructure includes the support from County leadership at the Board, Executive, and department level.

As the largest risk cost driver for the County, the Workers' Compensation Program was the main focus for this fiscal year. Accomplishments include the CEO's collaboration with the Risk Management team on establishing a robust financial reporting system for the Workers' Compensation program; increased Fraud collaboration with the District Attorney's office and associated parties; increased claims closure initiatives with County Counsel; and concentrated Return-to-Work initiatives with the Department of Human Resources and County departments.

This year's annual report includes the first evolution of the development of Key Performance Indicators and listing of the top performing departments, which are located in the Trend Analysis section. The Key Performance Indicators include departmental cost of risk and Workers' Compensation injury rates and costs. The CEO Risk Management Branch will look to expand these indicators as our technology evolves over the next several years.

Overall, the County experienced several successes related to the cost of risk. The remainder of this report details specific data points; however, highlighted below is a summation of the key cost drivers:

- Total Cost of Risk, which is all liability and workers' compensation costs as a percentage of the County's Operating Budget, continued a three-year downward trend from 2.17 to 2.10 percent.
- The County's Employment Practices Liability continued a three-year downward trend in frequency and severity, decreasing 3.7 and 11.8 percent respectively in FY 2013-14.
- The County's Vehicle Liability continued a three-year downward trend in frequency, decreasing 3.5 percent in FY 2013-14, and remained relatively flat in severity compared to FY 2011-12.
- Other General Liability frequency and severity increased 28.5 and 34.9 percent respectively in FY 2013-14.
- Medical Malpractice Liability continued a three-year downward trend in frequency, decreasing 3.1 percent, while severity increased 28.5 percent.
- Law Enforcement Liability frequency increased 21.1 percent; paid claims severity increased 2.5 percent.
- Workers' Compensation expenses continue to rise with the passage of increasingly costly legislation. However, the County's efforts to prevent and manage claims have resulted in slight program changes with an increase in claims of only 0.7 percent, while the costs of claims decreased 1.1 percent.

Many opportunities to lower overall costs remain. The remainder of this report outlines key objectives for the upcoming fiscal year and the specific cost drivers impacting the County's overall Cost of Risk.

# Financials

Funded on a pay-as-you-go basis, the County Workers' Compensation Program maintains obligations on claims filed many years ago. These benefits are defined under ever changing workers' compensation statutes and are affected by the aging demographic of the claim population and State and Federal regulations.

The CEO contracts for actuarial services to assess outstanding workers' compensation losses. Actuarial services assist the County in projecting costs associated with past, current, and future losses associated with workers' compensation.

## **WORKERS' COMPENSATION ACTUARIAL STUDIES – ESTIMATED OUTSTANDING LOSSES**

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The estimated outstanding losses are the expenses associated with unpaid claims as of a specific valuation date. Estimated outstanding losses include case reserves, development of known claims, and incurred but not reported claims.

AS OF DATE	ESTIMATED OUTSTANDING LOSSES
JUNE 30, 2012	\$2,078,461,237
JUNE 30, 2013	\$2,086,254,784
JUNE 30, 2014	\$2,103,615,805

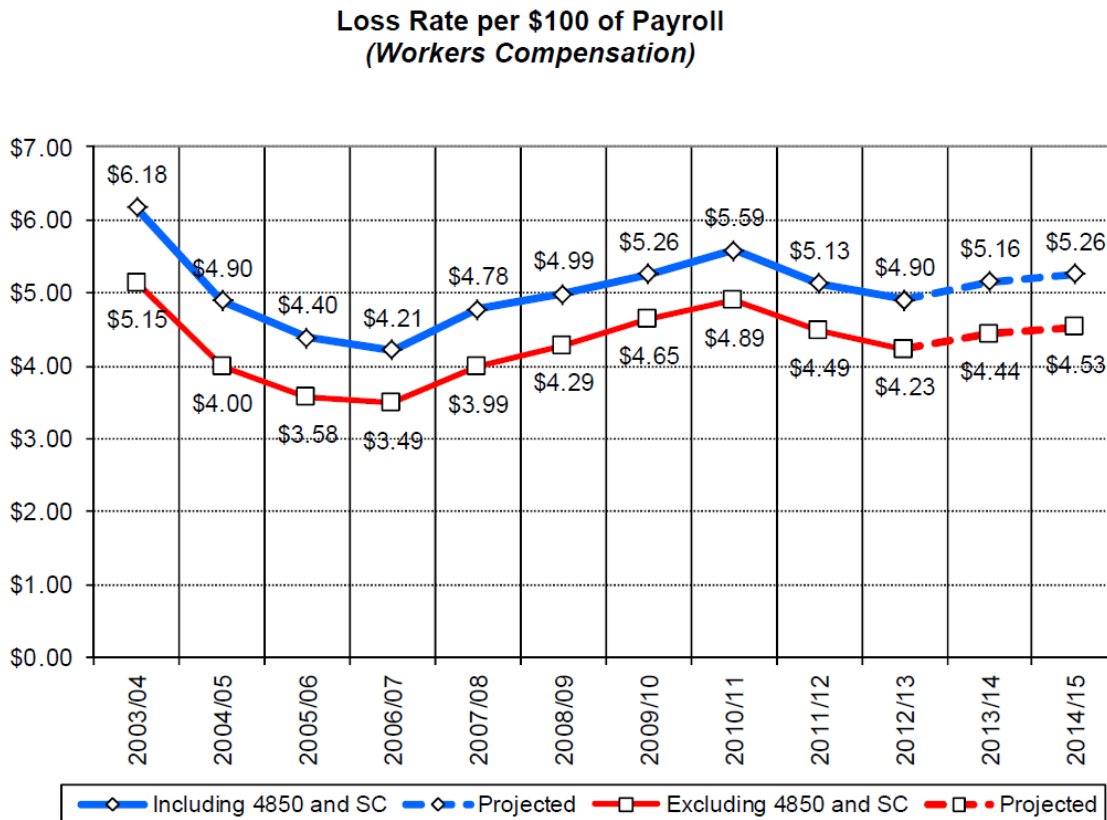
The *Actuarial Study of the Self-Insured Workers' Compensation Program* is reflecting projected ultimate losses with relatively flat loss development. This is indicated by a modest reduction -0.2 percent in cost of claims from previous years' projections.

## **WORKERS' COMPENSATION ACTUARIAL STUDIES – ACTUAL AND PROJECTED PAYMENTS**

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Approximately 25 percent of allocated paid losses, or roughly \$71 million of the \$285 million, were paid on workers' compensation claims that were more than 10 years old. Note: These figures exclude Labor Code 4850 and Salary Continuation.

## WORKERS' COMPENSATION ACTUARIAL STUDIES – LOSS EXPERIENCE TRENDS

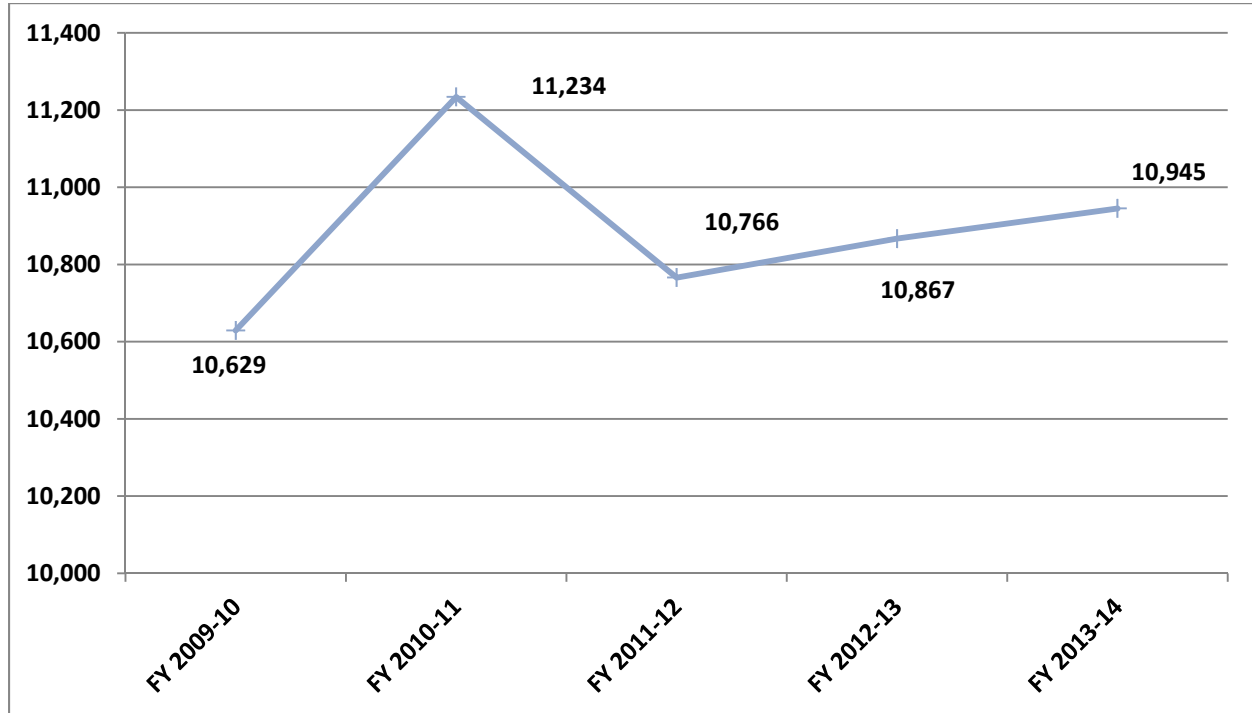


The loss experience trends, as measured by loss rate per \$100 of payroll, are projected to continue to rise approximately 12 percent over the next two fiscal years. This is the cost of claims per \$100 of payroll.

### WORKERS' COMPENSATION LOSS EXPERIENCE

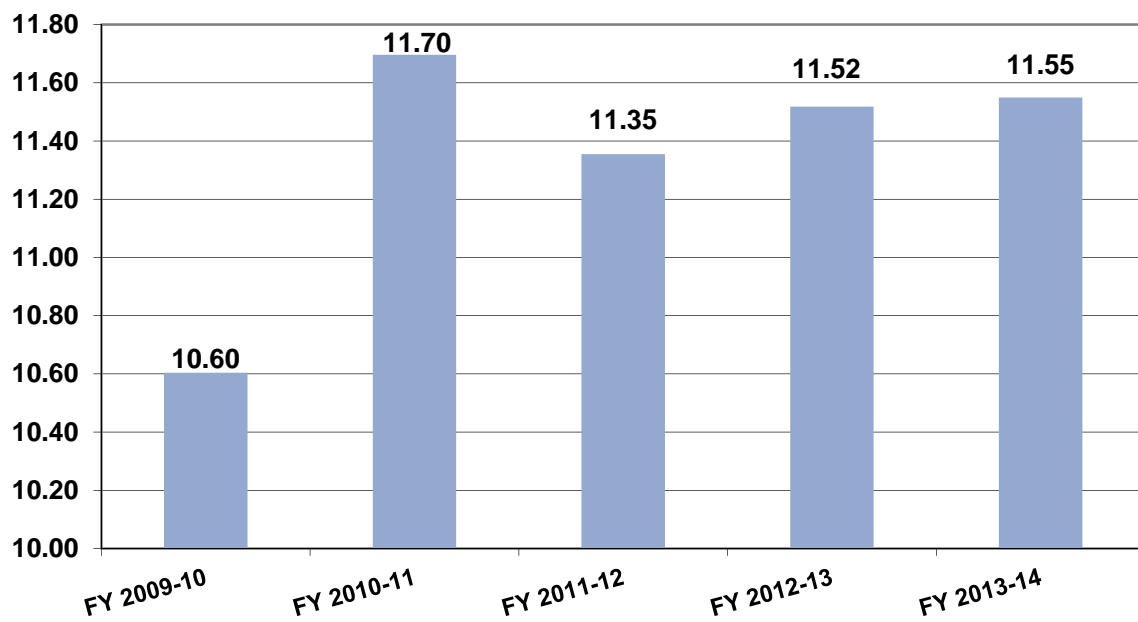
In FY 2013-14, the number of workers' compensation claims filed increased 0.7 percent (10,867 to 10,095), and the number of claims per 100 employees increased 0.2 percent (11.52 to 11.55), as compared to FY 2012-13.

## NUMBER OF WORKERS' COMPENSATION CLAIMS – FY 2009-10 THROUGH FY 2013-14



With the exception of FY 2010-11, the County has been experiencing an increase in claim frequency of less than 1 percent per year.

## WORKERS' COMPENSATION CLAIMS PER 100 EMPLOYEES<sup>1</sup>



1. Employee count is based on payroll reports as of December 31 for each fiscal year.

## COST OF RISK

The Cost of Risk is a ratio of the expenditures for the County's various cost of claims paid divided by the County's Operating Budget in a specific fiscal year. The effectiveness of the County's risk management programs, policy decisions, and the effects of State and Federal regulations are reflected in the Cost of Risk since it includes paid workers' compensation claims, general liability claims, and the cost to defend a myriad of tort- and non-tort-related claims. The Cost of Risk also includes the costs associated with loss control and prevention programs, insurance premiums, and operational and administrative expenses.

During FY 2013-14, the County experienced a decrease in the Cost of Risk of 1.9 percent. For the past three years, the County has decreased its Cost of Risk by 3.2 percent.

## THE COUNTY'S OBJECTIVE IS TO MINIMIZE ITS TOTAL COST OF RISK

Detailed information is listed in the "Statistics" section of this report regarding the number of claims and expenses for each of the last three fiscal years, by department, for Workers' Compensation, State of California Labor Code 4850 and Salary Continuation, Vehicle Liability, General Liability, Employment Practices Liability, Law Enforcement Liability, and Medical Malpractice. The table below illustrates the totality of all categories of risk as related to the County's Operating Budget.

### COST OF RISK<sup>1</sup>

Category	FY 2011-12	FY 2012-13	FY 2013-14
<b>Workers' Compensation</b>			
Labor Code 4850/Salary Continuation	\$60,688,906	\$66,978,802	\$72,529,272
<b>Workers' Compensation Expense Total</b>	<b>\$397,957,848</b>	<b>\$413,192,876</b>	<b>\$414,701,834</b>
<b>Liability</b>			
<b>Liability Expense Total</b>	<b>\$126,793,453</b>	<b>\$99,849,819</b>	<b>\$111,585,797</b>
Purchased Insurance (premiums and fees)	\$17,309,648	\$17,628,758	\$17,770,156
<b>Cost of Risk</b>	<b>\$542,060,949</b>	<b>\$530,671,453</b>	<b>\$544,057,787</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$530,902,392</b>	<b>\$518,343,082</b>	<b>\$532,527,060</b>
<b>Total County Operating Budget</b>	<b>\$24,502,944,000</b>	<b>\$24,228,102,000</b>	<b>\$25,333,757,000</b>
<b>Cost of Risk (excluding non-County agencies as percentage of the County's Operating Budget)</b>	<b>2.17%</b>	<b>2.14%</b>	<b>2.10%</b>

1. Detailed Cost of Risk information can be found in Exhibit G of this report.

## RISK FINANCING

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The County currently finances nearly all losses on a cash basis; therefore, any liability or workers' compensation claim that arises is subject to cash payment by the County regardless of size. Based on the nature and scope of County operations, natural disasters, and external influences, County departments will always be susceptible to large claims that significantly impact expenses. The results of FY 2013-14 illustrate this susceptibility; ten claims accounted for 23.6 percent of all General Liability expenses. The County has instituted several risk management techniques to manage the cost of large loss claims outside of litigation management. Minimizing the frequency of claims minimizes the potential of one of those claims becoming a large loss. The County currently utilizes loss control and prevention best practices specific to departments that are coordinated through the CEO as follow:

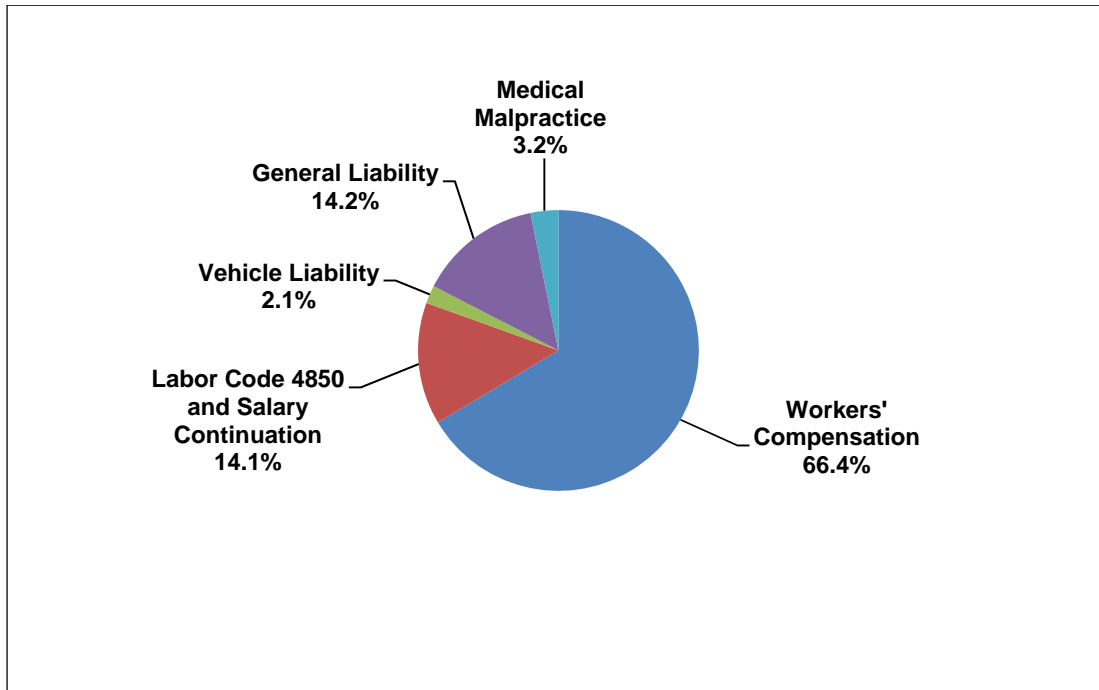
- Corrective Action Plans and/or Summary Corrective Action Plans are required for all settlements with an indemnity amount excess of \$20,000. These plans summarize the nature of the claim and identify the root cause of the problem and corrective action steps to be taken by the department, or the County as a whole, to minimize the potential for similar events to occur.
- Risk Management Plans are developed by each department on an annual basis. These plans provide an overview of each department's risk management program, significant risk issues for that department, and mitigation measures or goals designed to prevent or minimize the given exposure.
- Management Appraisal and Performance Plan (MAPP) goals are established by each Department Head on an annual basis. These goals are tracked and evaluated through the Department Head's performance evaluation.
- The CEO provides reporting and early trend analysis capabilities through departmental specific dashboards. This includes a drill-down capacity to identify the "Top 5 Causes of Concern" for each type of loss.
- Contractual risk transferring of large loss potential involves reviewing, recommending, and constructing departmental insurance contract language, including indemnification language and proper endorsement usage that is consistent throughout the County and formulated to provide protection to the various contractors and the County, should an adverse event occur. County Counsel and CEO Risk Management Branch collaborate with departments in this endeavor.

The CEO Risk Management Branch performs a myriad of training and education seminars throughout the year to further enhance department efforts to reduce all claims. The efforts of the CEO Risk Management Branch are reflected in the Accomplishments sections of this report.

## OVERALL COSTS

The overall Cost of Risk graph below illustrates that workers' compensation accounts for more than 66 percent of the Cost of Risk. For FY 2013-14, this represents approximately \$342 million.

### PERCENTAGE OF TOTAL COST PAID BY CLAIM TYPE – FY 2013-14



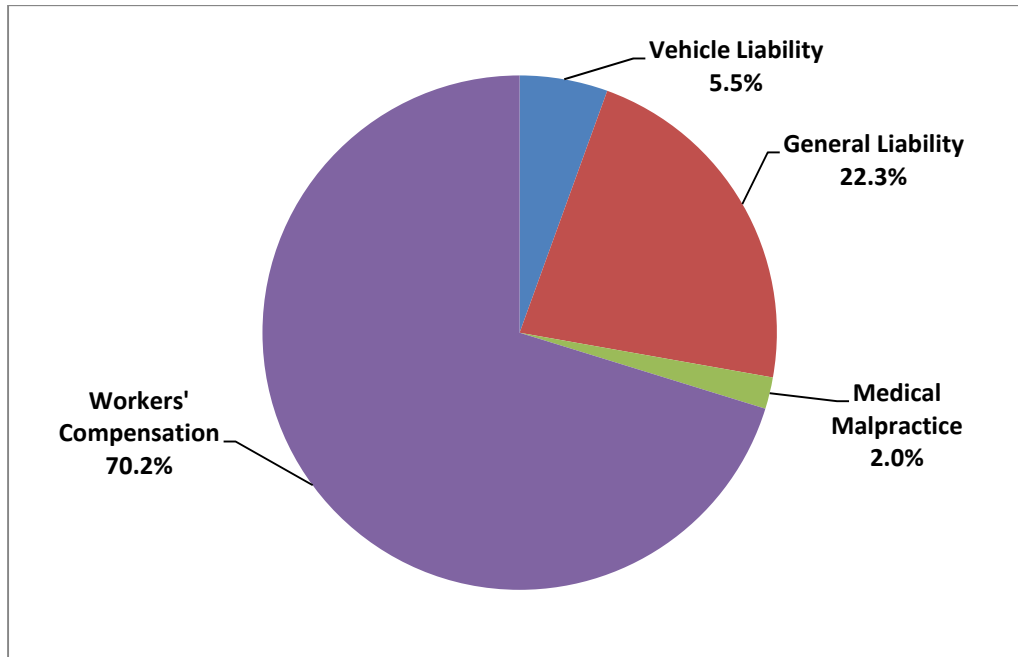
### CLAIM SEVERITY (TOTAL COST PAID) – ALL CLAIMS<sup>1,2,3</sup> – FY 2011-12 THROUGH FY 2013-14

Claim Type	FY 2011-12	FY 2012-13	FY 2013-14
Workers' Compensation <sup>4</sup>	\$337,268,942	\$346,214,074	\$342,172,562
Labor Code 4850 and Salary Continuation	\$60,688,906	\$66,978,802	\$72,529,272
Vehicle Liability	\$10,403,941	\$8,026,347	\$10,679,637
General Liability	\$89,407,457	\$67,724,610	\$73,269,405
Medical Malpractice	\$14,916,343	\$12,821,794	\$16,479,158
<b>TOTAL</b>	<b>\$512,685,589</b>	<b>\$501,765,627</b>	<b>\$515,130,034</b>

1. Data does not include unemployment costs.
2. Data includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of occurrence date; does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 and Salary Continuation payments, which are shown separately.

### CLAIM FREQUENCY BY CLAIM TYPE – FY 2013-14

In further demonstrating the impact of workers' compensation on the total risk management program, the graph below shows that workers' compensation accounts for almost three quarters of all claims.



### CLAIM FREQUENCY (TOTAL NUMBER OF CLAIMS FILED) BY CLAIM TYPE FY 2011-12 THROUGH FY 2013-14

Claim Type <sup>1,2</sup>	FY 2011-12	FY 2012-13	FY 2013-14
Vehicle Liability	942	894	863
General Liability	3,380	2,789	3,470
Medical Malpractice	335	320	310
Workers' Compensation	10,766	10,867	10,945
<b>TOTAL</b>	<b>15,423</b>	<b>14,870</b>	<b>15,588</b>

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.

2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e., MTA, Foothill Transit, etc.

The methods and activities of managing the overall Cost of Risk is outlined in the remainder of the FY 2013-14 Annual Report.

# Workers' Compensation Program

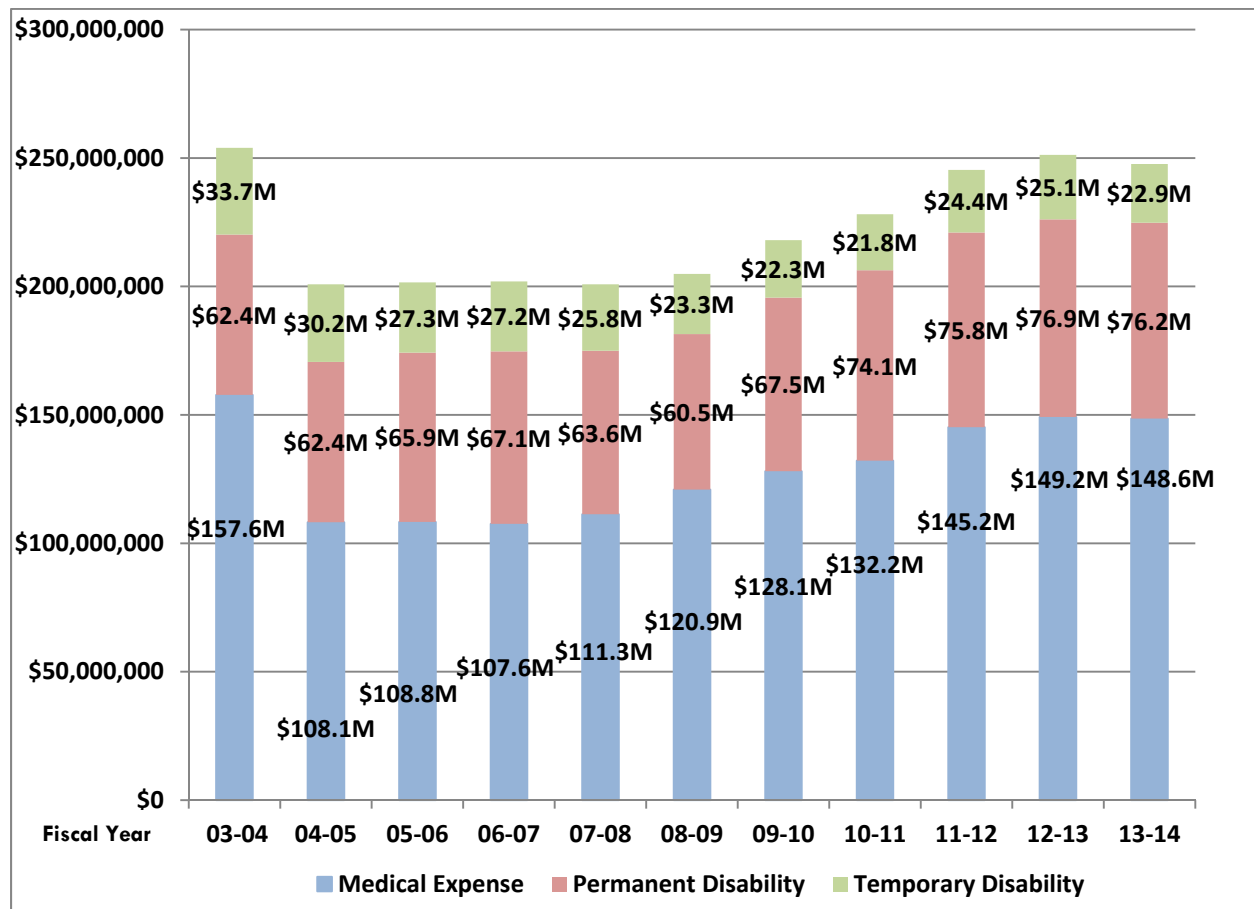
The County's Self-insured Workers' Compensation Claim Administration Program is the largest local governmental program in the State of California. As a mandated employer-funded benefit program, it is responsible for administering over 26,000 open workers' compensation claims with approximately 11,000 new workers' compensation claims reported annually. Statutorily mandated benefits are delivered through partnerships with four Third-Party Administrators (TPAs), three Medical Management and Cost Containment (MMCC) contractors, and a Pharmacy Benefit Management (PBM) company. CEO's Workers' Compensation On-Site County Representatives (OSCRs) provide assistance to TPA staff, County departments, and injured workers. In addition, OSCRs authorize high-value settlements and payment transactions, perform fiscal reconciliation services, and act as liaisons between departments, defense counsel, and TPAs. County Counsel staff and contracted defense attorneys provide legal support.

Workers' compensation expenses are generally separated into three categories:

- 1) Allocated Benefit Expense (ABE). ABE includes medical benefits, salary continuation and temporary disability benefits, permanent disability benefits, and death benefits. Such expenses are charged to the workers' compensation claim files.
- 2) Allocated Loss Adjustment Expense (ALAE). ALAE includes non-benefit payments to contract law firms, investigation firms, and other ancillary service providers. Such expenses are also charged to the workers' compensation claim files.
- 3) Unallocated Loss Adjustment Expense (ULAE). ULAE includes the cost of TPAs, MMCCs, County Counsel Workers' Compensation Division staff, CEO Risk Management Branch staff, State User Assessments, and other overhead charges required to administer the program. Such expenses are not charged or allocated to the workers' compensation claim files.

## MAJOR ALLOCATED BENEFIT EXPENSES

In FY 2013-14, total medical expenses remained stable and equaled \$148.6 million. This represents a 0.4 percent decrease from the total medical expense of \$149.2 million experienced in FY 2012-13. Temporary disability expenses decreased from \$25.1 million in FY 2012-13 to \$22.9 million in FY 2013-14, a decrease of 8.7 percent. FY 2013-14 salary continuation expenses (including Labor Code 4850 benefits) increased 8.2 percent from the \$67.0 million in FY 2012-13, and totaled \$72.5 million. Permanent disability expenses remained stable at \$76.2 million in FY 2013-14, a 0.9 percent decrease from the \$76.9 million experienced in FY 2012-13.



## **ALLOCATED AND UNALLOCATED LOSS ADJUSTMENT EXPENSES**

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Traditionally, the County Workers' Compensation Program's allocated and loss adjustment expenses account for approximately 20-22 percent of overall program expenses. The ALAE and ULAE represent the legal, administrative, and operational costs to deliver balanced workers' compensation benefits. In FY 2013-14, the combined ALAE and ULAE represented 20 percent of program expenses. This compares favorably against the expense experience of California workers' compensation insurers and other self-insured employers. The *California Commission on Health and Safety and Workers' Compensation (CHSWC) 2013 Annual Report* reflected insurer ALAE and ULAE accounted for over 38 percent of overall expenses in calendar year 2012, while self-insured employers' (including State of California) ALAE and ULAE accounted for 24 percent of overall expenses during the same period.

## **MEDICAL MANAGEMENT COST CONTAINMENT**

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Medical expenses are the largest single component of the County Workers' Compensation Program cost. During FY 2013-14, the Program received over 400,000 bills from medical service providers. These bills were for medical services for treating injured workers, which included inpatient hospital services, nursing care, surgery, physician visits, physical therapy, chiropractic care, durable medical equipment, and drug therapy. Each bill was reviewed to ensure charges are paid at or below the Official Medical Fee Schedule.

The County Workers' Compensation Program applies utilization review (UR) processes to assess physician treatment requests. UR is the process used by California workers' compensation insurers and administrators to determine if requested medical care is consistent with the California Medical Treatment Utilization Schedule. CEO and MMCC staff collaborate with respected physicians to determine reasonable utilization review triggers to ensure medical treatment can be delivered in an unencumbered manner. The evaluation of UR triggers is ongoing and protocols will be reassessed in FY 2014-15.

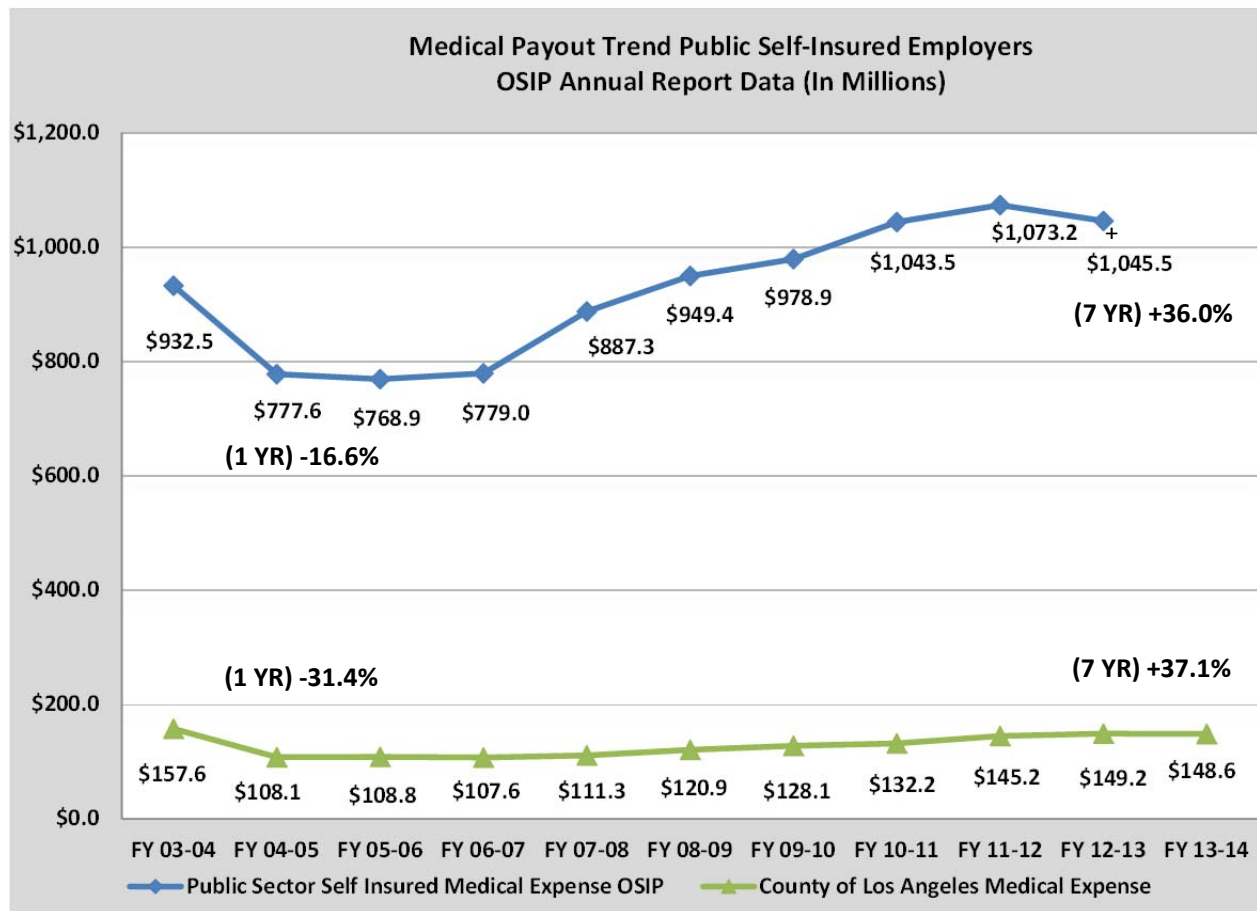
In FY 2011-12, a PBM was established to improve the evaluation of drug therapies prescribed to County injured workers. Some of the goals and results for the PBM follow:

- Increased generic drug utilization (at 74.9% – an increase of 12.7% over the baseline).
- Increased home delivery (at 13.0% – an increase of 60.5% over the baseline).
- Physician outreach (ongoing and continuing).
- Network penetration (at 92.5% – an increase of 35.2% over the baseline).
- Anomaly detection.

## Medical Management Cost Containment (Continued)

In FY 2012-13, pharmacists from the PBM identified significant use of costly compound medications on the County Workers' Compensation Program. CEO staff utilized data-mining capabilities provided by the PBM to identify questionable compound medication prescription patterns. During FY 2013-14, CEO, County Counsel, TPA, PBM, and MMCC staff developed strategies to address compound medication prescriptions. These strategies resulted in an approximate 70 percent reduction in authorized compound medication charges.

One of the overall program goals is expense stabilization. As previously indicated, FY 2013-14 medical expenses were flat at \$148.6 million. Such expenses remain below the pre-SB899 medical expense of \$157.6 million experienced in FY 2003-04.



## **WORKERS' COMPENSATION PROGRAM'S SIGNIFICANT ACCOMPLISHMENTS – FY 2013-14**

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- Transferred approximately 14,000 open workers' compensation claims to two newly-contracted workers' compensation TPAs.
- Established and implemented requirements for new TPAs to utilize evidence-based disability management protocols to improve return-to-work outcomes.
- Developed workflows with MMCCs and TPAs to reduce the paper generated by explanation of review documents. This workflow is expected to reduce paper consumption by approximately 5 million sheets annually.
- Implemented utilization review processes to reduce the amount of compound medication approved on the Program.
- Introduced physician and patient outreach letters to improve drug therapy safety and outcomes.
- Facilitated workers' compensation fraud detection and reporting training performed by the County District Attorney's office – Workers' Compensation Fraud Division. During FY 2013-14, this training was provided to approximately 400 County and TPA employees.
- Continued to work with public and private sector employers to evaluate workers' compensation legislation and regulation development.
- Initiated Accelerated Claim Closure and Loss Portfolio Transfer projects.

## **WORKERS' COMPENSATION PROGRAM'S OBJECTIVES – FY 2014-15**

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- Continue to work with public and private sector employers to evaluate workers' compensation legislation, regulation development, and eminent issues.
- Evaluate predictive analytic and data-mining products to assess their value to the Workers' Compensation Program.
- Release an MMCC Request for Proposals (RFP) that will improve workers' compensation outcomes.

## **WORKERS' COMPENSATION PROGRAM'S OBJECTIVES – FY 2014-15 (Continued)**

- Release a workers' compensation TPA RFP that leverages provisions contained in past and current contracts.
- Implement an Express Scripts Morphine-Equivalent Dose Management Program to improve workers' compensation-prescribed narcotic utilization review, while ensuring injured workers have access to the medication they need.
- Collaborate with MMCC contractors to develop an explanation-of-benefits form to be mailed to injured workers, which verifies medical services being provided through the Workers' Compensation Program.
- Collaborate with the development of the Comprehensive Claims Management System to integrate workers' compensation activities into applicable claims metrics.
- Continue to develop and execute advanced financial risk strategies, including an Accelerated Claim Closure Project and Loss Portfolio Transfer options.

# DISABILITY MANAGEMENT PROGRAMS

The Disability Management Section, within the CEO Risk Management Branch, is responsible for developing, implementing, and monitoring Countywide policies and procedures related to components of returning employees to work and disability management.

The Disability Management Section establishes Countywide procedures in compliance with the Americans with Disabilities Act (ADA), Fair Employment and Housing Act (FEHA), and Workers' Compensation laws. Furthermore, in a cooperative effort with departments, the Section oversees reasonable accommodations provided by departments, while monitoring employees on leave of absence and providing recommendations to resolve issues relating to long-term leave. Additionally, the Section monitors compliance with established procedures, thereby aiding in expediting recovery and cost reduction.

The Disability Management Section also manages the following programs:

- Return-to-Work (RTW)
- Short-Term Disability (STD)
- Long-Term Disability (LTD)
- Survivor Benefits (SB)

The STD, LTD, and SB programs are overseen by the Disability Management Section staff and administered through a TPA, Sedgwick Claims Management Services. Claim eligibility is determined by the TPA, who provides approval for benefit payments. These programs are funded as a County-subsidized income replacement benefit plan. Employees may purchase additional coverage depending on their benefit plan.

## **RETURN-TO-WORK PROGRAM**

County departments are required to implement and maintain an effective RTW Program. Disability Management Section staff assists departments in administering their programs, offering guidance with disability-related laws, and providing specialized training when needed.

## SHORT-TERM DISABILITY

The County established the STD Plan which offers an income replacement benefit of up to 100 percent for eligible injured, ill, or pregnant employees who are members of the MegaFlex Cafeteria Plan. The maximum plan benefit allowable is 26 weeks or 182 calendar days, inclusive of the designated waiting period. The County offers two STD benefit options:

- **Core Benefit** (County Paid): Requires a 14-consecutive-calendar-day waiting period before benefits become payable. A 70 percent income replacement benefit is paid for the remainder of the approved STD period.
- **Additional Benefit** (Purchased): Requires a 7-consecutive-calendar-day waiting period. A 100 percent income replacement benefit is payable for the first three-week period. An 80 percent income replacement benefit is paid for the remainder of the approved STD period.

Overall, STD claims processed in FY 2013-14 increased by 2.2 percent, while the total claims approved decreased by 2.7 percent. The number of employees covered by the Plan increased by 2.1 percent over the prior year (from 11,383 to 11,625).

NEW STD CLAIMS PROCESSED PER YEAR <sup>1</sup>				
	FY 2011-12	FY 2012-13	FY 2013-14	Percent Change
Class 10 <sup>2</sup>	161	148	154	+4.1%
Class 11 <sup>3</sup>	669	633	644	+1.7%
<b>Total</b>	<b>830</b>	<b>781</b>	<b>798</b>	<b>+2.2%</b>

NEW STD CLAIMS APPROVED PER YEAR				
	FY 2011-12	FY 2012-13	FY 2013-14	Percent Change
Class 10 <sup>2</sup>	150	138	139	+0.7%
Class 11 <sup>3</sup>	633	615	594	-3.4%
<b>Total</b>	<b>783</b>	<b>753</b>	<b>733</b>	<b>-2.7%</b>

1. Processed claims include those approved, denied, and pending.
2. Benefit Class 10 has a 14-day waiting period and 70% income replacement.
3. Benefit Class 11 has a 7-day waiting period and 100% income replacement for 21 days; followed by 80% income replacement.

## LONG-TERM DISABILITY

This program is funded as a County-subsidized income replacement benefit plan. Employees may purchase additional coverage depending on their benefit plan.

The County established the LTD Plan which offers eligible employees up to a 60 percent income replacement benefit, based on their basic monthly compensation, in the event the employee becomes disabled and is unable to work beyond a 6-month waiting period. LTD benefits generally stop when an employee is no longer considered disabled or when they reach age 65, unless the waiting period commenced on or after the date they attained age 62, in which case payment ceases in accordance with the pre-established plan schedule.

As of June 30, 2014, there were 1,540 Active or Approved LTD claims (not including Pending or Waiting claims). Out of the 1,540 claims, 863 (56.0%) are classified as Occupational and 677 (44.0%) as Non-Occupational.

New LTD claims processed in FY 2013-14 increased by 1.8 percent, while the number of claims approved increased by 13.8 percent over the prior plan year. The number of employees covered by the program increased by 1.6 percent over the prior year (from 80,500 to 81,828).

Among the total new LTD claims processed, 347 (41.6%) are classified as Occupational and 487 (58.4%) as Non-Occupational. Among the new LTD claims approved, 353 (55.4%) are classified as Occupational and 284 (44.6%) as Non-Occupational.

NEW LTD CLAIMS PROCESSED PER YEAR <sup>1</sup>				
	FY 2011-12	FY 2012-13	FY 2013-14	Percent Change
General Members LTD	651	615	608	-1.1%
LTD (MegaFlex/4) Plan 3 <sup>2</sup>	6	10	8	-20.0%
LTD (MegaFlex/6) Plan 4 <sup>3</sup>	178	194	218	+12.4%
<b>Total</b>	<b>835</b>	<b>819</b>	<b>834</b>	<b>+1.8%</b>

1. Processed claims include those approved, denied, and pending.
2. This plan provides 40% income replacement.
3. This plan provides 60% income replacement.

NEW LTD CLAIMS APPROVED PER YEAR				
	FY 2011-12	FY 2012-13	FY 2013-14	Percent Change
General Members LTD	524	472	540	+14.4%
LTD (MegaFlex/4) Plan 3	4	4	4	0.0%
LTD (MegaFlex/6) Plan 4	86	84	93	+10.7%
<b>Total</b>	<b>614</b>	<b>560</b>	<b>637</b>	<b>+13.8%</b>

## **SURVIVOR BENEFIT**

The County also established the SB Plan which provides an eligible surviving spouse/domestic partner with a monthly benefit in the event of an employee's death. The SB benefit is equal to 55 percent of the LTD benefit, and is paid throughout the survivor's lifetime.

New SB claims decreased by 17.0 percent in FY 2013-14, while the number of processed claims found to be eligible for benefits decreased by 26.4 percent. Overall, a total of 53 eligible survivors received this benefit.

<b>NEW CLAIMS PROCESSED PER YEAR</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>Percent Change</b>
Survivor Benefits	176	171	142	-17.0%
<b>NEW CLAIMS APPROVED PER YEAR</b>				
Survivor Benefits	63	72	53	-26.4%

## **FINANCIAL OUTLOOK**

The actuarial valuations of the County LTD and SB Plans are completed by an independent actuarial firm biennially via collection of census data, re-evaluation of assumptions, and review of the substantive plan intended to strengthen the funding computations on a pay-as-you-go basis.

The report evaluated the County's LTD and SB Plans' present and historical benefit payment experience; estimated paid losses and expenses; and outstanding or ultimate liabilities for the current and next two fiscal years. In addition, the report provides information the County may require for its Comprehensive Annual Financial Report, summarizes census data, and includes future projections for 30 years of paid expenses by the County.

The following section provides the end-of-year reserve calculation results and future cash flows for internal County planning and reporting purposes.

<b>RESERVE CALCULATIONS</b>			
<b>Non-MegaFlex LTD Income and SB Plans</b>			
<b>Expected Payments by Fiscal Year</b>			
<b>Fiscal Year</b>	<b>Current Liability<sup>1</sup></b>	<b>Future Liability</b>	<b>Total</b>
FY 2013-14	\$38,288,609	\$1,170,391	\$39,459,000
FY 2014-15	\$36,343,691	\$5,771,931	\$42,115,622
FY 2015-16	\$33,033,398	\$10,007,035	\$43,040,433

<b>MegaFlex LTD Income Plan</b>			
<b>Expected Payments by Fiscal Year</b>			
<b>Fiscal Year</b>	<b>Current Liability</b>	<b>Future Liability</b>	<b>Total</b>
FY 2013-14	\$6,049,539	\$389,360	\$6,438,899
FY 2014-15	\$5,898,608	\$1,911,534	\$7,810,142
FY 2015-16	\$5,243,667	\$3,206,161	\$8,449,828

1. Liability reflects all costs associated with disabled employees that are on Leave of Absence.

## **FINANCIAL OUTLOOK (Continued)**

The recommendations provided in this valuation study represent changes from the prior assumptions and are designed to better anticipate the emerging experience of the County's LTD and SB plans.

The increases of expected payments are partly due to increases in payroll growth through employee salary and benefit increases, and a corresponding cost-of-living increase. Additionally, the projected increases were evaluated and predicated on relevant and related actuarial assumptions consistent with industry standards.

### **DISABILITY MANAGEMENT SECTION'S SIGNIFICANT ACCOMPLISHMENTS – FY 2013-14**

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- Four additional RTW Specialists joined the Section. Three of the Specialists are designated liaisons to specific departmental clusters and assist departments with their RTW efforts. The fourth Specialist is assigned to work on special projects and spearhead coordinating with all departments to resolve issues related to employees on long-term leave of absence. The RTW Specialists have met and will continue to meet with their respective departments to develop strategies to resolve complex issues.
- Created and led the Disability Management Sub-Committee of the Legal Exposure Reduction Committee (LERC). This is a new Sub-Committee that focuses on all aspects of disability management and returning employees to work.
- Developed and introduced a Temporary Work Agreement form which consolidates and replaces two previously used forms. This change was intended to help departments simplify the documentation portion of the temporary work assignments, reduce confusion when utilizing the form, and improve tracking and monitoring of employees on temporary work assignments.
- Revised the "*Return-To-Work Desk Reference Manual*," which was last updated in 2013. Enhancements included the addition of a RTW flowchart and revised forms, and new sections related to ADA/FEHA, Transitional RTW, and Occupational Health Programs. In addition, hyperlinks were added throughout the Manual to provide departments easy access to writeable documents on the Internet.
- Met with departments to review RTW files and provided consultation on the proper maintenance of files, as recommended by the Assistant Chief Executive Officer in FY 2013-14. In general, departments were in compliance with the recommended maintenance guidelines and were receptive to the changes.

## **DISABILITY MANAGEMENT SECTION'S SIGNIFICANT ACCOMPLISHMENTS** (Continued)

- Launched a RTW promotional campaign throughout the County in collaboration with the Department of Human Resources. The purpose of the campaign, which included sending brochures to all County employees and displaying posters in County facilities, was to inform County employees of the County's RTW Program.
- Recommended changes, now in force in the County Code, related to the County's STD, LTD, and SB Plans. The changes foster clarification of the existing administrative plan rules and practices, and strengthens the integrity of the benefit delivery process to employees with disabilities.
- Executed a Direct Deposit process as an option for employees with disabilities who have been approved to continue receiving LTD benefits beyond the initial 24 months. This benefit delivery option increases the efficiency of services and affords a safe and expeditious delivery of LTD benefit payments.
- Conducted quarterly RTW seminars attended by 452 County employees, including RTW Coordinators, Managers, and Human Resources personnel.
- Conducted RTW 101 training sessions attended by 84 County employees who were new to RTW or were interested in learning more about RTW.
- Provided daily consultations to departmental RTW Coordinators regarding complex issues. This included assisting with 22 Interactive Process Meetings for eight departments to provide expert advice on reasonable accommodation and RTW best practices.
- Attended 14 departmental workers' compensation claim reviews where as many as 30 departmental workers' compensation claims were discussed. The claim reviews included providing recommendations and assisting in developing and monitoring RTW strategies with the departments and TPAs.
- Reviewed 53 requests for employee Medical Release and provided 43 letters of concurrence for departments to pursue a medical release, pursuant to Civil Service Rule 9.08(c).

## **DISABILITY MANAGEMENT SECTION'S OBJECTIVES – FY 2014-15**

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- Develop an informational RTW pamphlet for employees to explain the disability management and RTW process, and the employees' responsibilities in this process.
- In a coordinated effort with departments, identify and resolve issues regarding employees with permanent work restrictions on temporary work assignment agreements.
- Identify one Long-Term Leave (LTL) contact in each department that will be responsible for managing the departments' LTL caseload. Once contacts have been identified, the CEO Risk Management Branch will provide training on topics such as medical release, disability retirement, and reasonable accommodation, to enhance the departments' understanding as it relates to employees on LTL. Additionally, assist the designated departmental LTL contacts to find a resolution for their employees on LTL, and work toward reducing caseloads.
- Launch ViaOne, an online tool that will enable employees to file their STD and LTD applications online, and allow departments to access claim information to better manage their RTW efforts.
- Review existing policies that govern the RTW and disability management process to ensure compliance with changes in disability laws and make revisions to existing policies, as necessary.

# LIABILITY CLAIMS MANAGEMENT

The Liability Claims Management Section, within the CEO Risk Management Branch, provides consultative support and direction in the administration of various claims and lawsuits filed against the County. This includes first- and third-party property claims, and claims arising out of Vehicle Liability, General Liability, Employment Practices Liability, Law Enforcement, and Medical Malpractice. Overseeing the various claims involves providing administration and direction to two TPAs for General Liability and Medical Malpractice/Hospital Professional Liability claims.

## GENERAL LIABILITY CLAIMS

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One of the County's TPAs, Carl Warren & Company, currently oversees a majority of the general liability claims that encompass the subsets of Vehicle Liability and Employment Practices Liability. The following are Key Performance Indicators (KPI) for General Liability claims handled by this TPA.

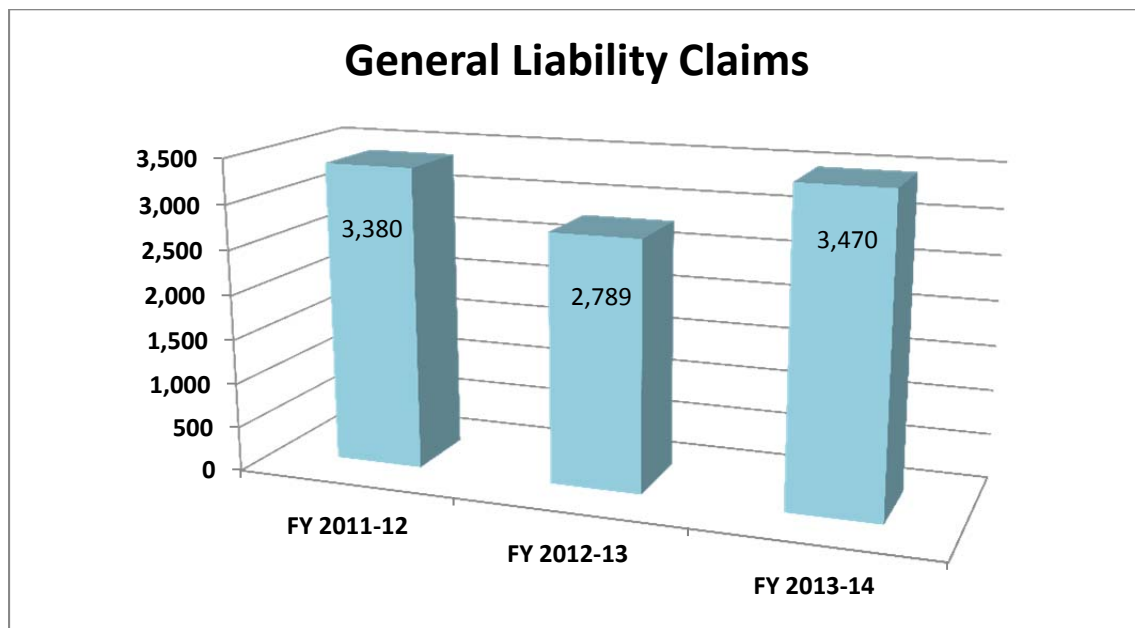
### *Data Analysis*

The TPAs are not solely responsible for the management of the respective programs under their purview since they do not control the entire claims administration process and have limits on their authority. However, the data and audits of the TPAs' performance indicate the TPAs are managing claims timely and within expected cost parameters. The County's greatest exposure continues to be for cases involving serious injuries, which represent the greatest percentage of total dollars spent.

TYPE	FY 2011-12	FY 2012-13	FY 2013-14
Claim Closing Ratio	95%	96%	99%
Allocated Loss Adjustment Expense	32%	63%	58%
Litigation Reserve Ratio	31%	28%	29%

### **Data Analysis** (Continued)

Overall, General Liability claims increased over the last fiscal year after a decline in FY 2012-13, as illustrated below. Specific claim allegation trend analysis and breakdown by claim type can be found in the Trend Analysis section of this report.



### **MEDICAL MALPRACTICE CLAIMS**

Another County TPA, Sedgwick Claims Management Services, oversees claims related to professional liability programs that encompass Medical Malpractice and Hospital Professional Liability.

### **Data Analysis**

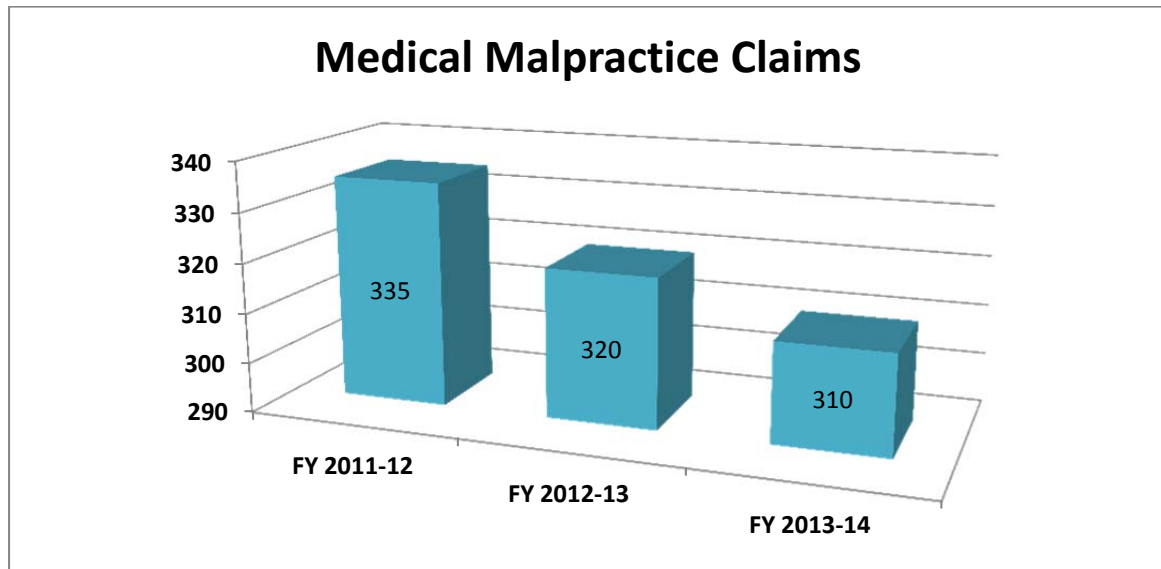
Unlike the General Liability TPA, the Medical Malpractice TPA manages both non-litigated and litigated claims. These claims tend to behave differently than General Liability, as experts are more prevalent in determining the potential exposure to the liability. However, the principles of claims closure, cost containment, and appropriate reserving are all performance measures that compare to General Liability claims.

The data and audits for TPA performance show that the Medical Malpractice TPA is managing the claims timely and within expected cost parameters. The County's greatest exposure is for cases involving serious injuries, which represent the greatest percentage of total dollars spent.

TYPE	FY 2011-12	FY 2012-13	FY 2013-14
Claim Closing Ratio	103%	100%	109%
Allocated Loss Adjustment Expense	18%	19%	25%
Litigation Reserve Ratio	17%	16%	16%

### **Data Analysis** (Continued)

Overall, Medical Malpractice claims decreased approximately 7.5 percent over the last three fiscal years, as illustrated below. Specific claim allegation trend analysis can be found in the Trend Analysis section of this report.



### **SMALL AND PROPERTY CLAIMS**

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The Small and Property Claims Unit represents the County in cases that are filed in the Superior Court Small Claims Division. The Unit also administers lost or stolen property claims filed against the departments of Sheriff and Health Services, and damage losses occurring on County property. In addition, the Unit subrogates claims when County property is damaged by a third party and assists departments in administering the County's permittee driver program. The Unit handled 30 percent more permittee claims in FY 2013-14.

# TREND ANALYSIS

## WORKERS' COMPENSATION CAUSES OF INCIDENTS

The County employs over 95,000 employees with diverse occupational exposures, over thousands of job descriptions. While each department has hazards that pose specific risks to its employees, the overall exposure can be summarized into the following six classifications for approximately 75 percent of the injuries sustained by County employees.

### Assault

Assaults include all aspects of a third party combating with County employees. Departments with the majority of assaults include: Sheriff (69.4%), Health Services (13.4%), and Probation (12.5%).

### Cumulative Trauma/Bodily Injury

Cumulative trauma and bodily injury include injuries that are sustained over time due to the repetitive motion of the work performed or stress incurred from the job. Departments with the most cases include: Sheriff (28.7%), Public Social Services (17.2%), Health Services (12.0%), and Fire (10.1%).

### Overexertion

Overexertion includes injuries due to lifting, carrying, and pushing or pulling. Departments with the most cases include: Sheriff (42.5%), Health Services (16.4%), Fire (12.2%), and Public Social Services (8.8%).

### Exposure

This category includes exposure to physical hazards which involves particulates, fumes, and chemicals; environmental exposure including heat, cold, sun, and noise; and biological hazards including blood, body fluids, viral, and bacterial exposures. Departments with the most exposure cases include: Fire (39.6%) and Sheriff (27.3%).

### Trip and/or Fall

This category includes falling down in the office environment which includes stairs, chairs, escalators, elevators, and over various floor surfaces. Externally, this includes falling from vehicles, ladders, roof tops, and surfaces in parking lots, sidewalks, and in rough terrain. Departments with the most trip and/or fall cases include: Sheriff (26.3%), Health Services (19.1%), Public Social Services (13.5%), and Probation (8.6%).

### Struck by/or Against

This category includes injury resulting from being struck by or crushed by a human, animal, or inanimate object or force not vehicle related. Additionally, this can include injury caused by striking against something or someone, or from flying or falling objects. Departments with the most struck by/or against cases include: Sheriff (38.4%), Health Services (20.1%), Fire (10.3%), and Public Social Services (8.6%).

### Other

This category includes all other causes including, but not limited to, presumptive injuries, cardiovascular related, caught in or between injuries, and transportation-related injuries.

## TYPES OF WORKERS' COMPENSATION CLAIMS BY DEPARTMENT

Type of Claim	Sheriff	Health Services	Fire	Public Social Services	Probation	Children and Family Services
Assault	12.9%	6.7%	0.3%	0.5%	12.7%	1.7%
Cumulative Trauma/ Body Injury	7.8%	8.8%	8.2%	21.2%	7.1%	13.1%
Exposure	12.6%	4.0%	54.4%	2.2%	11.6%	1.1%
Overexertion	20.9%	21.5%	17.7%	19.3%	16.1%	17.9%
Struck by/or Against	7.2%	10.1%	5.7%	7.2%	5.7%	4.3%
Trip and/or Fall	9.7%	18.9%	6.2%	22.5%	17.3%	19.3%
Other	28.9%	30.2%	7.6%	27.2%	29.4%	42.6%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### DEPARTMENTAL ANALYSIS

Six departments account for over 80 percent of all claim frequency: Sheriff (37.6%), Health Services (14.1%), Fire (12.7%), Public Social Services (8.4%), Probation (6.9%), and Children and Family Services (3.2%). All department data can be found in Exhibit B of the Statistics section of this report.

#### Sheriff

Sheriff employees work in arduous and dynamic environments encompassing varied areas of risk exposure, including law enforcement, emergency response, building trades, and administrative functions. Overexertion injuries continue to be a leading cost factor for the Department as a result of lifting, pushing, and pulling. Additionally, injuries resulting from law enforcement activities would be expected to increase claims of cumulative trauma. Each bureau has an identified safety officer to assist in communicating and implementing the Department's safety programs and directives. These safety officers undergo annual refresher training on Cal/OSHA-required programs and other safety- and health-related issues. These individuals serve as an extension of the Department's designated safety officer and assist in implementation of the various safety- and health-related programs throughout the Department.

#### Health Services

Health Services employees are exposed to a variety of hazards, including patient handling, slips, falls, and exposures. Previously, the Department created an Ad Hoc Committee to analyze/address underlying exposures related to patient handling and aid in the transition to assistive patient lift devices. The Department continues to execute these initiatives through the acquisition of assist lift, transfer, and repositioning equipment.

To establish quality controls and a claim management verification process for Return-to-Work Coordinators, Health Services created the following mitigation measures:

- Perform random audits of Long-Term Leave of Absence files.
- Review case management aspects of selected leave matters and verify appropriate claim handling documentation and structure.

## **DEPARTMENT ANALYSIS (CONTINUED)**

### **Fire**

Fire employees often work in volatile environments with consistently arduous physical demands and a myriad of potentially hazardous exposures. In the course and scope of providing critical emergency response services, injuries would be expected from overexertion and exposure to environmental elements. To enhance communications, the Department researched and implemented a Department-wide safety newsletter that focuses on various issues, including “Injury and Illness Prevention,” “On The Road” for driving safety, and “Safety Call Out” for general safety issues. Additionally, the Department continues the “Fitness-for-Life!” program which emphasizes wellness and fitness through annual medical evaluations, physical ability testing, and targeted education.

### **Public Social Services**

Public Social Services is one of the largest departments with an employee count nearly double that of the next largest social services department. The workers’ compensation claim report rate is between other departments in the same operational cluster; however, Public Social Services has the lowest total Cost of Risk ratings of all comparable department groups. Key safety program elements include data trend analysis, targeted efforts regarding the most common types of claims, facility inspection programs, and ergonomics.

The Department recently acquired several safety positions ranging from Safety Inspectors to Safety Officers; and all of the positions have been filled. Additionally, the Department coordinated several risk mitigation efforts, including training appropriate personnel with Return-to-Work 101, enhancing the ergonomics program, conducting quarterly facility inspections, enhancing the Return-to-Work program, and continuing the safety awareness and recognition program.

### **Probation**

Probation is another department that has inherent risks based on operations. The leading types of losses have been identified and mitigation efforts have been implemented. A Safe Crisis Management Sub-Committee has been created to address the assault exposure. Sworn staff who conduct restraint- and security-related duties receive 160 hours of core training plus an additional 24 training hours annually. Additionally, the Department held a two-day conference geared towards managers, supervisors, and employees. The conference offered the opportunity to participate in break-out sessions covering a wide variety of risk exposures, including office ergonomics, preventative action plans, safety orientation and risk reduction, universal precautions, and field safety officer training, amongst others.

## **DEPARTMENTAL ANALYSIS** (CONTINUED)

### **Children and Family Services**

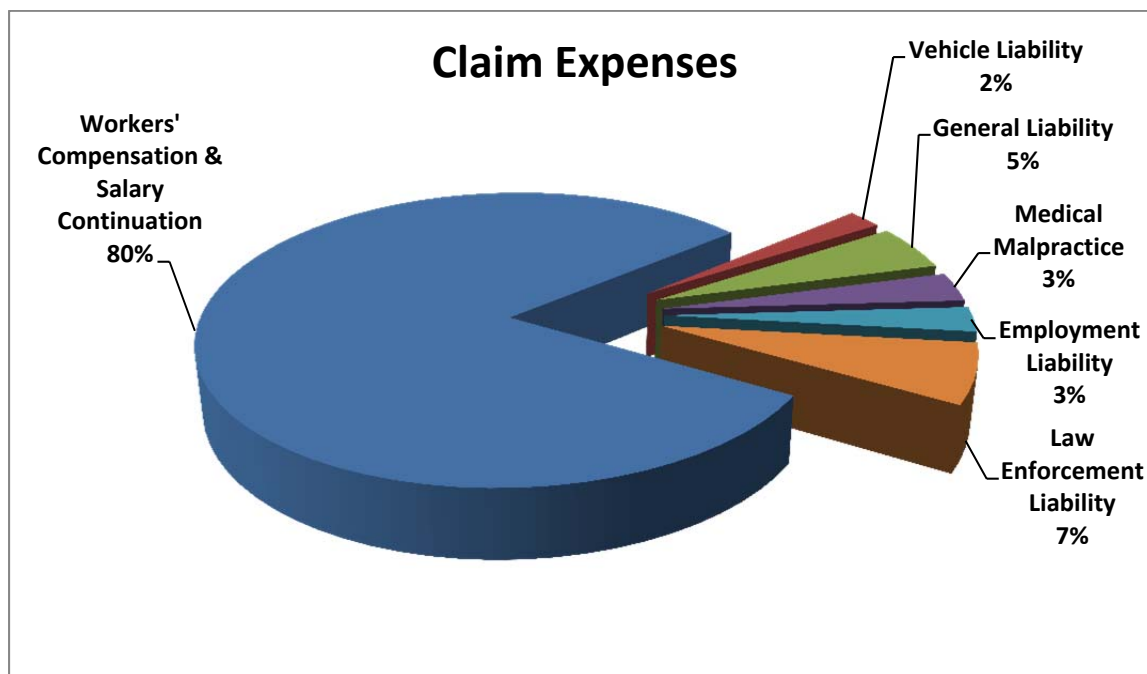
The workers' compensation claim rate for Children and Family Services is 5.3 per 100 employees, which is lower than the Countywide average of 11.3, and low relative to the other social services departments. Loss control efforts include quarterly meetings to review and identify leading cost drivers to better focus on re-allocated prevention efforts. The Department focused efforts on the use of vehicles which included defensive driving training, policy enhancements, and corrective actions.

The Department recently implemented procedures to acquire ergonomic-related equipment for cumulative trauma claims in an effort to reduce costs associated with equipment purchase and acquisition. These procedures were enhanced by the Department's hiring of a Safety Officer and the addition of four Safety Inspector positions. Additionally, the Department, in conjunction with the CEO Risk Management Branch, established standardized lists of approved ergonomic equipment, and has cross-trained staff on how to expedite procurement.

### **LIABILITY CAUSE ANALYSIS**

The operations and functions of the County of Los Angeles expose the County to several risk factors that result in liability. While each department has risks specific to their operation, the overall exposure can be summarized into five liability classifications: 1) Vehicle Liability, 2) Other General Liability, 3) Law Enforcement Liability, 4) Employment Liability, and 5) Medical Malpractice.

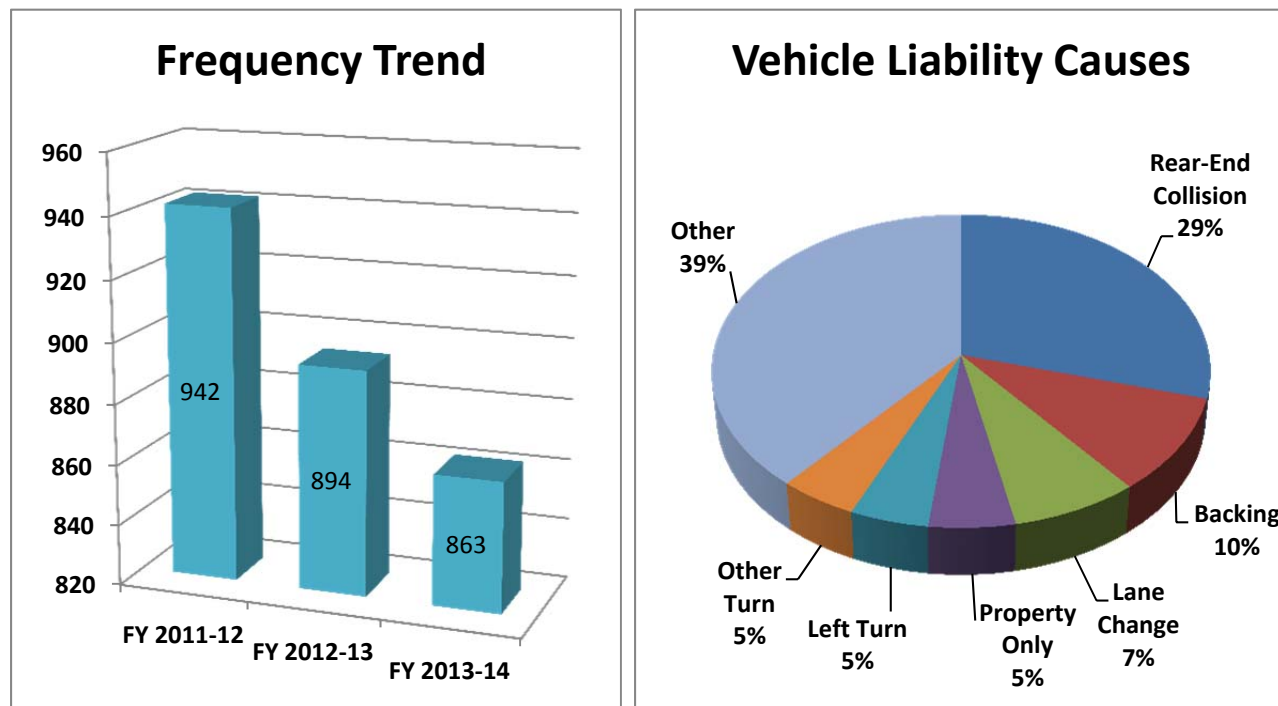
Liability exposures account for 20 percent of the County's overall Cost of Risk.



## VEHICLE LIABILITY CLAIMS

The County's Vehicle Liability frequency decreased 3 percent from FY 2012-13 to FY 2013-14. The cost of claims for vehicle liabilities during the same time period increased approximately 33 percent. The cost increase for Vehicle Liability is primarily attributable to a case where the County paid close to \$4 million.

Data shows there was a decrease in intersection accidents and a decrease in rear-end collisions; although rear-end collisions still represent the largest number of vehicular claims at 29 percent.



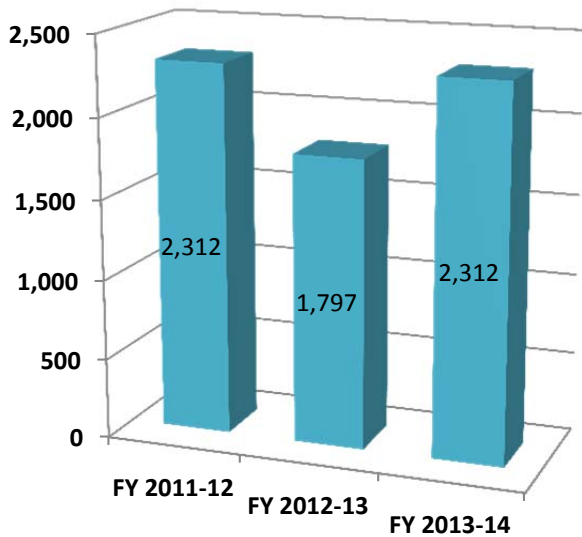
Vehicle liability represents 2 percent of the County's total Cost of Risk.

## OTHER GENERAL LIABILITY CLAIMS

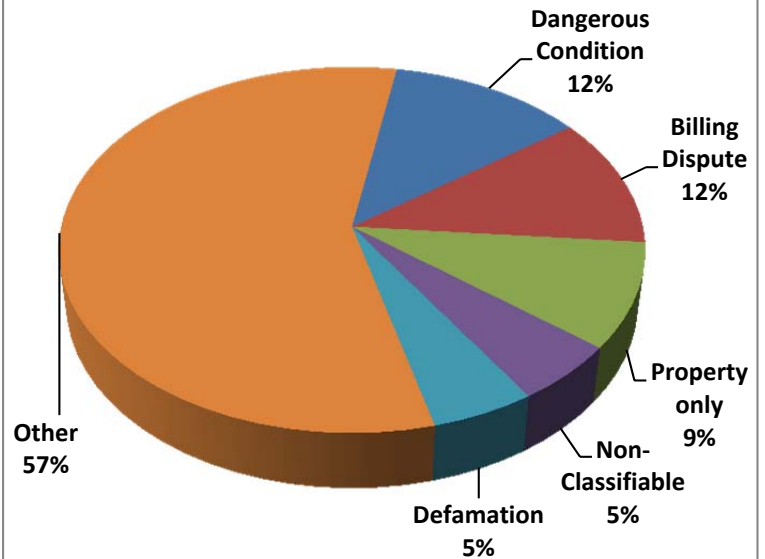
Other General Liability includes all claims filed against the County that are not classified as Employment Practices, Medical Malpractice, Vehicle, or Law Enforcement. This includes dangerous conditions and property-related claims. Claims in this category also include non-tort claims, which include taxation, elections, redevelopment, and billing disputes.

The County's Other General Liability frequency increased approximately 28 percent from FY 2012-13 to FY 2013-14. The vast majority of this increase is due to the improper use of the medical billing dispute resolution process. Furthermore, several providers continue to file individual claims as opposed to a singular claim for a series of disputed medical billing claims. The County has contacted the providers and is attempting to resolve the issue with the proper dispute resolution process.

### Frequency Trend



### General Liability Causes



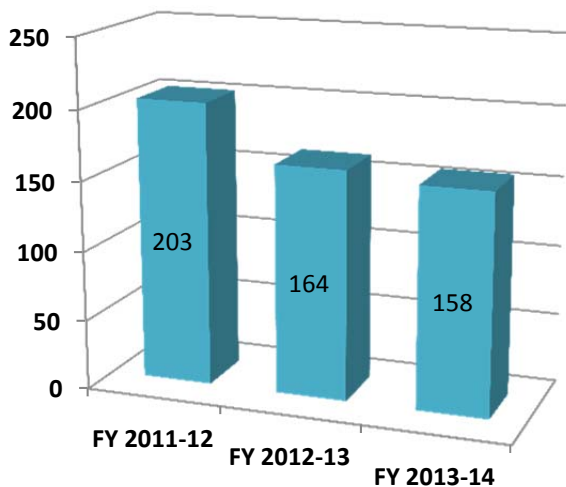
Other general liability represents 5 percent of the County's total Cost of Risk.

### EMPLOYMENT PRACTICES LIABILITY CLAIMS

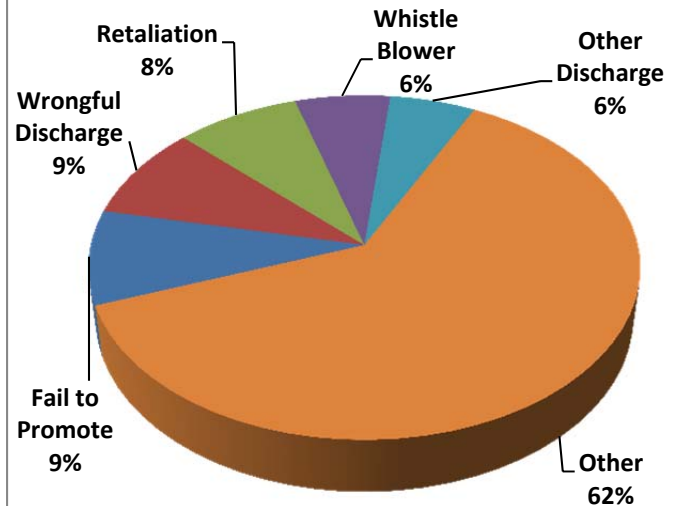
The County's Employment Practices Liability frequency decreased by 4 percent from FY 2012-13 to FY 2013-14. The County also experienced a lower payout on these claim types in FY 2013-14 of 11.5 percent, resulting in a savings of close to \$2 million. A large portion of the savings was as a result of lower legal defense costs.

The two most prevalent claims for FY 2013-14 were related to "Discharge" of employees, which represents 15 percent; and "Failure to Promote," representing 9 percent of all claims filed. The largest single type of paid claims was for "Whistle Blower," representing approximately 14 percent of dollars expended in FY 2013-14.

### Frequency Trend



### Employment Causes

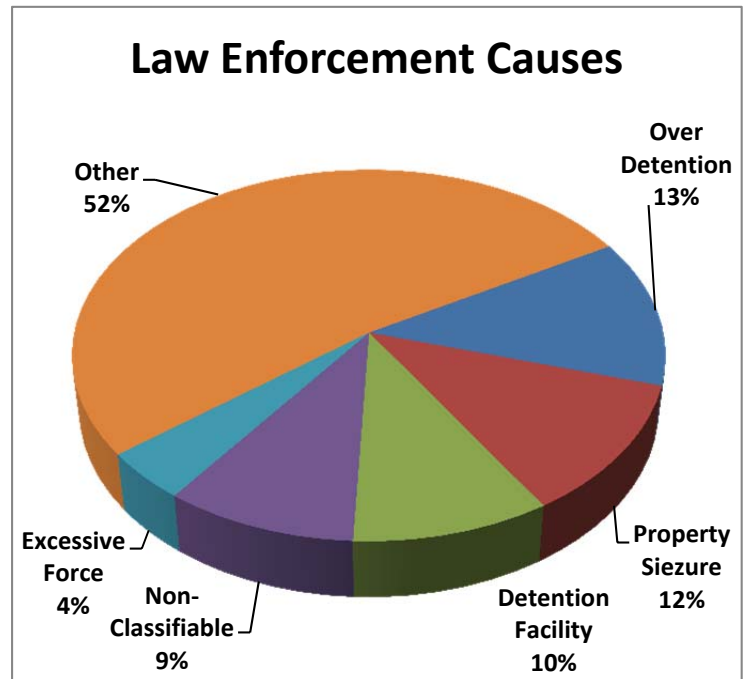
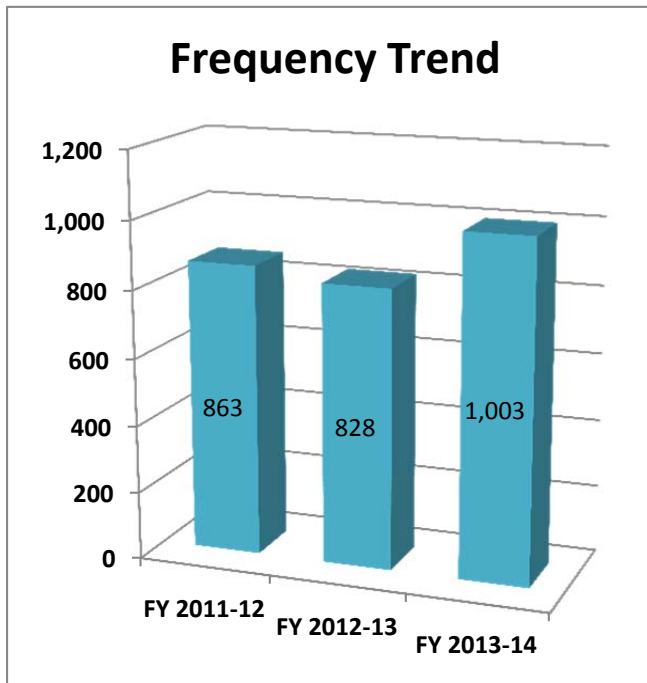


Employment Practices Liability represents 3 percent of the County's total Cost of Risk.

## LAW ENFORCEMENT LIABILITY CLAIMS

The County's Law Enforcement Liability frequency rate increased 21 percent for FY 2013-14, compared to the previous fiscal year. However, paid expenses did not substantially increase.

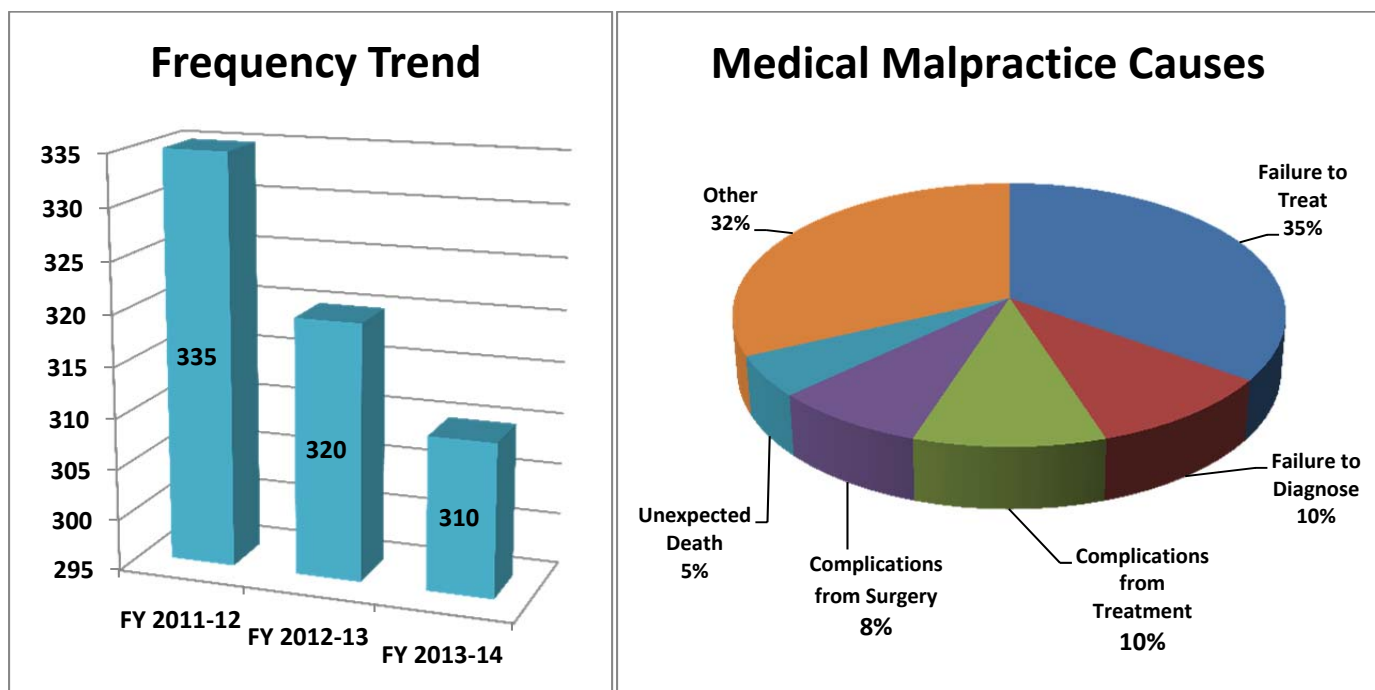
The most prevalent claims were for "Over Detention" and "Property Seizure," which represent 13 percent and 11 percent respectively. However, "Excessive Force" claims remain the main cost driver, accounting for 40 percent of all law enforcement claims cost.



Law Enforcement Liability represents 7 percent of the County's total Cost of Risk.

## MEDICAL MALPRACTICE CLAIMS

The County's Medical Malpractice Liability overall frequency decreased about 3 percent for FY 2013-14, from FY 2012-13. The primary type of claim filed against the County was for care delays and/or failure to treat. These types of claims rose to 10 percent in FY 2013-14, compared to FY 2012-13.



Medical Malpractice represents 4 percent of the County's total Cost of Risk.

## TOP PERFORMING DEPARTMENTS

Five departments have seen multiple-year declines in claim frequency and have some of the top performance indicators relative to their County department peers. All department data can be found in Exhibit B of the Statistics section of this report.

### **Assessor**

Total Cost of Risk: 0.65%

WC Claims per 100 employees: 1.9

WC Expenses per 100 employees: \$606

Assessor had fewer workers' compensation (WC) and liability claims than the previous two years. Overall, the Department has fewer WC claims per 100 employees than 94 percent of all departments, and a Cost of Risk lower than 66 percent of all departments.

### **Internal Services**

Total Cost of Risk: 0.87%

WC Claims per 100 employees: 4.9

WC Expenses per 100 employees: \$1,818

Internal Services had fewer WC and liability claims than the previous two years. Overall, the Department has fewer WC claims per 100 employees than 54 percent of all departments, and a Cost of Risk lower than 57 percent of all departments.

### **Military and Veterans Affairs**

Total Cost of Risk: 0.80%

WC Claims per 100 employees: 3.8

WC Expenses per 100 employees: \$1,349

Military and Veterans Affairs had fewer WC and liability claims than the previous two years. Overall, the Department has fewer WC claims per 100 employees than 66 percent of all departments, and a Cost of Risk lower than 60 percent of all departments.

### **Public Library**

Total Cost of Risk: 0.48%

WC Claims per 100 employees: 2.5

WC Expenses per 100 employees: \$420

Public Library had fewer WC and liability claims than the previous two years. Overall, the Department has fewer WC claims per 100 employees than 86 percent of all departments, and a Cost of Risk lower than 83 percent of all departments.

## **TOP PERFORMING DEPARTMENTS** (Continued)

### **Public Works**

Total Cost of Risk: 0.60%

WC Claims per 100 employees: 5.3

WC Expenses per 100 employees: \$1,804

Public Works had fewer WC claims than the previous two years. Overall, the Department has fewer WC claims per 100 employees than 46 percent of all departments, and a Cost of Risk lower than 74 percent of all departments.

#### Notes:

1. "Total Cost of Risk" is the cost relationship of all claims against the department in relation to the adopted budget.
2. "WC Claims per 100 employees" is a measure used to equalize large and small departments based on injuries per 100 employees.
3. "WC Expenses per 100 employees" is a measure used to equalize large and small departments based on cost of claims per 100 employees.

# LOSS CONTROL AND PREVENTION

The Loss Control and Prevention (LCP) Section, within the CEO Risk Management Branch, provides risk analysis, consultative assistance to find effective solutions for root causes, and training for all departments to ensure a safe and healthful environment for County employees, visitors, and citizens. LCP efforts focus on departments with high-risk activities; however, regular assistance/support is provided to all departments upon request. LCP activities include the following:

- Coordinating risk management and loss control efforts with County departments by participating or leading agendas with Risk Managers, Safety Officers, Return-To-Work Coordinators, and safety committees.
- Leading the Best Practices Sub-Committee of the Legal Exposure Reduction Committee (LERC). Committee projects are described in the LERC Annual Report and include:
  - Fair Labor Standards Act (FLSA) Training – developing a program related to FLSA overtime issues.
  - Defensive Driver Training – establishing a Countywide training program.
  - Ergonomics – evaluating ergonomic self-assessment software.
  - Vehicle Telemetry – evaluating cost and benefits of vehicle Global Positioning System (GPS) devices.
- Developing Risk Management Service Plans intended to aid departments in identifying their risk while coordinating prevention measures using CEO Risk Management Branch services and analytical tools.
- Assisting departments develop cluster meeting presentations that focus on departmental risk issues, claim frequency and severity trends, best practices, and departmental stewardship reports.
- Participating in departmental risk management committees for safety, risk management, and vehicle accident reviews.
- Providing loss control consulting to departments to improve their risk management programs, procedures, and policies as related to departmental cost drivers.
- Enhancing loss control and prevention knowledge and capabilities within County departments through quarterly loss control meetings; bi-monthly Countywide safety committee meetings; and training on loss prevention, reporting, standards, procedures, and compliance, as requested.
- Serving as subject matter experts for departments in responding to California Occupational Safety and Health (Cal/OSHA) complaint letters, citations, and informal conferences. In FY 2013-14, LCP provided assistance in two inspections, five informal conferences, and six complaint letters.
- Providing loss control and industrial hygiene programs to departments upon request and as needed.
- Assisting departments implement the standardized lists for ergonomic products for use in cost minimization efforts related to ergonomic evaluations for workers' compensation cases.

## LOSS CONTROL AND PREVENTION'S SIGNIFICANT ACCOMPLISHMENTS – FY 2013-14

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Utilizing the County's Enterprise Risk Information Center, LCP focused efforts on departmental frequency and severity drivers through the development and implementation of training programs, policies, and guidelines, as well as field visits targeted to the source of risk. Other significant accomplishments include:

- Implemented standardized lists for ergonomic products as part of an integrated cost containment strategy related to ergonomic evaluations for workers' compensation cases. Departments currently utilizing these cost minimization tools include:
  - Children and Family Services.
  - Auditor-Controller.
  - Probation.
- Provided 843 consultations to departments on a variety of issues, including Cal/OSHA compliance, health and safety, and liability.
- Developed best practices to provide guidance to County departments on the following topics:
  - Implementation of an Office Ergonomics Program.
  - Ignition Interlock Devices.
  - Motor Vehicle Disciplinary Action Matrix.
  - Vehicle Proximity Sensors.
  - Facility Inspections.
- Developed two safety bulletins and six "Risk Alert!" newsletters for Countywide use and implementation. Topics covered included:
  - Hazard Communication Program with Globally Harmonized System (GHS) updates.
  - Ergonomic evaluations checklists.
  - Training requirements.
  - Rain and water intrusion.
  - Slips, trips, and falls prevention.
  - Managing mold and moisture problems.
  - Safety for temporary employees.
- Presented quarterly loss control and prevention meetings that were attended by over 250 County Safety Officers, Human Resources personnel, and others with safety responsibilities. The meetings covered:
  - Trends in Office Ergonomics and Equipment Design.
  - Indoor Mold Concerns.
  - Safety Awareness: Confined Spaces, Hot Work, Lock Out/Tag Out, and Trenching and Shoring.
  - Ergonomics Best Practices.
- Provided training to representatives of 19 County departments on the "Introduction to Safety and Health" training series, which consisted of more than 20 risk management-related topics over the course of eight days.

The County has been experiencing trends in cumulative trauma/overexertion injuries and vehicle liability claims. To aid departments in their efforts to reduce overall trends, LCP will focus on the following:

### **Training and Development of Countywide Risk Management Staff**

- Coordinate the development of an “*Introduction to Risk Management*” training course. The course will be developed as an introduction to the subject and will cover the risk management process, overview of liability loss exposures, risk control techniques, and risk financing.
- Enhance and update content of the LCP page on the Risk Management Branch Intranet site. Enhancements will include updating the site to be more user friendly; and add/update new and/or updated model programs, safety bulletins, and “Risk Alert!” newsletters.
- Design and evaluate the LCP components of the Comprehensive Claims Management System.
- Develop and enhance communication channels, including email blasts and customer service surveys to provide information and updates to departments and receive feedback from customers regarding service delivery issues.

### **Cumulative Trauma/Overexertion claims**

- Evaluate self-administered ergonomic training and self-assessment software as an effort to control and reduce cumulative trauma-related injuries, as they relate to the office environment.
- Continue implementation of the final recommendations developed by the Ergonomics Task Force to achieve cost-effective outcomes and a reduction in workers’ compensation claims costs.
- Evaluate cost reduction resulting from departments’ implementation of the Ergonomics Task Force standardized equipment list.

### **Vehicle Liability**

- Evaluate online defensive driver training options that can be used to support departmental practices and programs to ensure the safe operation of vehicles.
- Evaluate the use of vehicle telemetry in County vehicles to enhance safe driving behaviors.

## **LOSS CONTROL AND PREVENTION'S OBJECTIVES – FY 2014-15** (CONTINUED)

### **Other Efforts and Activities**

- Coordinate efforts with the Department of Human Resources and County Counsel on the conversion of the FLSA training on overtime to a self-taught course made available on the Learning Net System.
- Assist departments with the implementation of the GHS update to Cal/OSHA's Hazard Communication Program.
- Perform a cause code quality assurance review of workers' compensation TPAs to ensure consistent coding of claims for accurate trending, data analysis, and predictive analytics.
- Collaborate with the development of the Comprehensive Claims Management System to integrate loss control activities into applicable claims metrics.

# RISK MANAGEMENT INSPECTOR GENERAL

The Risk Management Inspector General (RMIG), within the CEO Risk Management Branch, has the responsibility of assisting County departments in the development and approval of Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs). Additionally, RMIG collaborates with departments, CEO Liability Claims Management, and County Counsel to meet the mandates established by the Board of Supervisors (Board). This includes the requirement of all County departments to include a SCAP signed by RMIG as part of any claim settlement letter forwarded to the County Claims Board and/or the Board. Accordingly, RMIG manages CAPs and SCAPs through the following process:

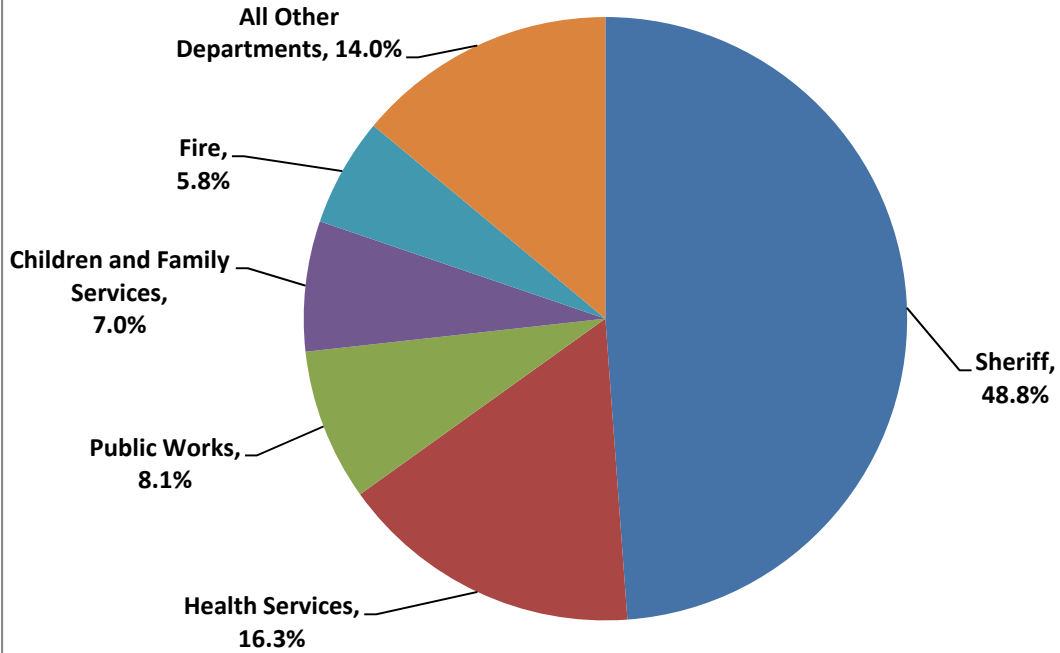
- Weekly review of all claims entered in the claims system to determine early intervention efforts and collaboration with all concerned. This includes all departments and CEO Risk Management Branch's Liability Claims Management, Operations, and Loss Control and Prevention.
- Conduct detailed analysis of incident reports, claims, significant incidents, and adverse events, including monitoring adverse verdicts and items reported in the press.
- Consult with departments and assist with their development of CAPs and SCAPs.
- Assist in expediting claim settlements by pre-approving all CAPs and SCAPs prior to submission to the County Claims Board and/or the Board.
- Escalate requests for CAP/SCAP information through department management and the Board if information provided is not thorough or timely.

RMIG participates in all cluster meetings which involve in-depth discussions of CAPs/SCAPs and case facts. These cluster meetings are attended by Board Deputies, departments, County Counsel, and CEO. The purpose of the meetings is to brief the Board Deputies on all relevant information so they can brief the Board before final Board approval is sought for a case.

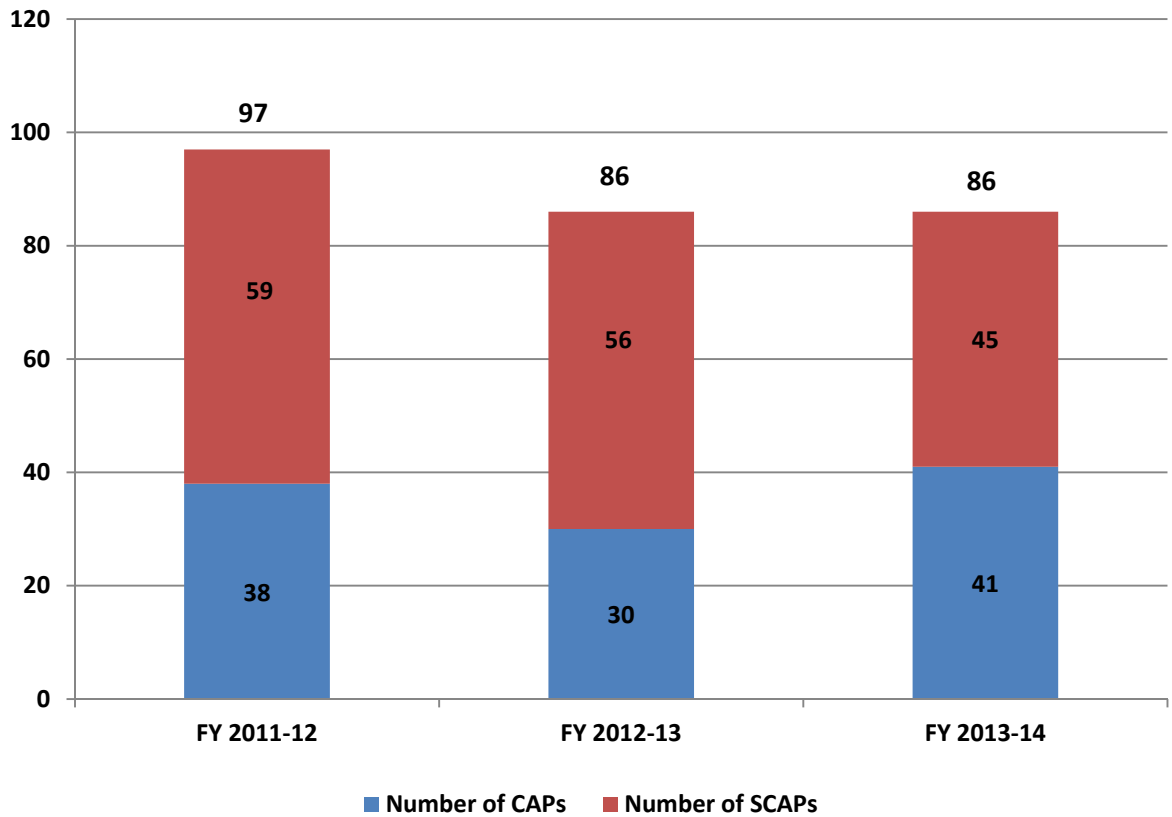
RMIG also conducts audits and investigations of liability issues at the direction of the Board; and/or those issues which RMIG deems appropriate.

As part of best practices to prevent similar losses from occurring in the same department, or in a different department with similar exposures, RMIG both publishes and presents Applicability Notices on a quarterly basis. The Applicability Notices are summary-level documents that describe the incident, the root cause analysis of why it occurred, and the steps for correcting the root cause(s) and preventing a repeat incident. Presentations are held at the Risk Management Coordinators quarterly meetings and notices are published on the CEO Risk Management Branch Intranet site, which provides a useful tool for departments with similar occurrences.

## CAPs and SCAPs Approved During FY 2013-14



## CAPs and SCAPs Approved By Fiscal Year



## **RISK MANAGEMENT INSPECTOR GENERAL'S SIGNIFICANT ACCOMPLISHMENTS**

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For the past three years, RMIG has co-chaired the Medical Malpractice Sub-Committee of the Legal Exposure Reduction Committee (LERC). This year, two major projects came to fruition:

- The Sub-Committee recommended and implemented the Patient Safety Network for all medical providers within the County of Los Angeles, including Health Services, Fire, Mental Health, Public Health, Probation, and Sheriff. This is a web-based, early reporting system that will increase patient safety and accountability for performance, and reduce costs for patient-related untoward events.
- The Sub-Committee also hosted an Executive Luncheon on February 26, 2014, at the California Endowment Center. Thirty executive representatives from the Chief Executive Office, Fire, Health Services, Mental Health, Probation, Public Health, and Sheriff attended the event. The presentation was given by guest speaker Assistant Sheriff Terri McDonald who addressed various topics, such as: Perception of Patient Safety; Trust; Competing Interests; Sworn vs. Medical; Cross Collaboration Among Departments; Just Culture; and Crew Resource Management. The event was very successful; therefore, the Sub-Committee is recommending the Executive Luncheon be held annually.

RMIG collaborated with Sheriff and County Counsel to improve the timeliness of Sheriff CAPs and SCAPs by creating an initial review process. CAPs and SCAPs, as well as County Claims Board and Board correspondence, are submitted to RMIG by both County Counsel and Sheriff as soon as a case is settled. RMIG conducts an initial review and provides feedback and recommendations. This has greatly reduced lag time due to early communication on possible issues within CAPs and SCAPs.

RMIG implemented the Risk Compliance Management System (RCMS). RCMS is a completely paperless CAP/SCAP database that allows RMIG to track, review, and store CAPs and SCAPs electronically. Due to the implementation of RCMS, RMIG can now analyze data in a more comprehensive manner, thereby able to track loss trending patterns. RMIG can also review CAPs and SCAPs Countywide by department and by specific categories to determine if corrective actions have been effective and, if not, execute alternative strategies.

RMIG also created a standardized Root Cause Analysis and CAP training to reflect a more simplified approach to understanding and writing CAPs and SCAPs.

## RISK MANAGEMENT INSPECTOR GENERAL'S OBJECTIVES – FY2014-15

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RMIG is focusing on liability loss control and incorporating data integration, tracking, and trending this fiscal year.

RMIG will incorporate RCMS into the Enterprise Risk Information Center dashboard, thereby enabling users to have access to the number and types of CAPs and SCAPs by department and by indemnity cost.

Ongoing LERC Medical Malpractice Sub-Committee projects include:

- Just Culture Implementation – Implement a “Just Culture” approach to error management in all County departments after having Health Services be the initial department to implement it. This project will create a humane and fair evaluation and correction process for human errors in the County workplace.
- Adverse Event Mitigation and Early Settlement Authority – This project will create a less adversarial system for managing medical errors and possible-related litigation. The Sub-Committee will help lead the educational and interpersonal effort to create the policies and procedures for this risk management approach.

New projects include:

- Create a new LERC sub-committee specific to law enforcement operations and the resultant exposures that will involve:
  - Pre-Claim – Proactive research and training of specific law enforcement issues.
  - During Claim/Lawsuit Phase – Explore the necessity of root cause analysis and timeliness of corrective actions to determine systemic and personnel actions to be taken.
  - Post Lawsuit – Evaluate adverse jury verdicts, appeals, and public relations pertaining to law enforcement litigation.
- Collaborate with all departments and County Counsel to improve the timeliness of CAPs and SCAPs by creating an initial review process. CAPs and SCAPs, as well as County Claims Board and Board correspondence, should be submitted to RMIG by departments and County Counsel as soon as a case is settled, thereby reducing lag time due to early communication on possible issues within CAPs and SCAPs.
- Collaborate with the development of the Comprehensive Claims Management System to integrate RCMS into applicable claims metrics.

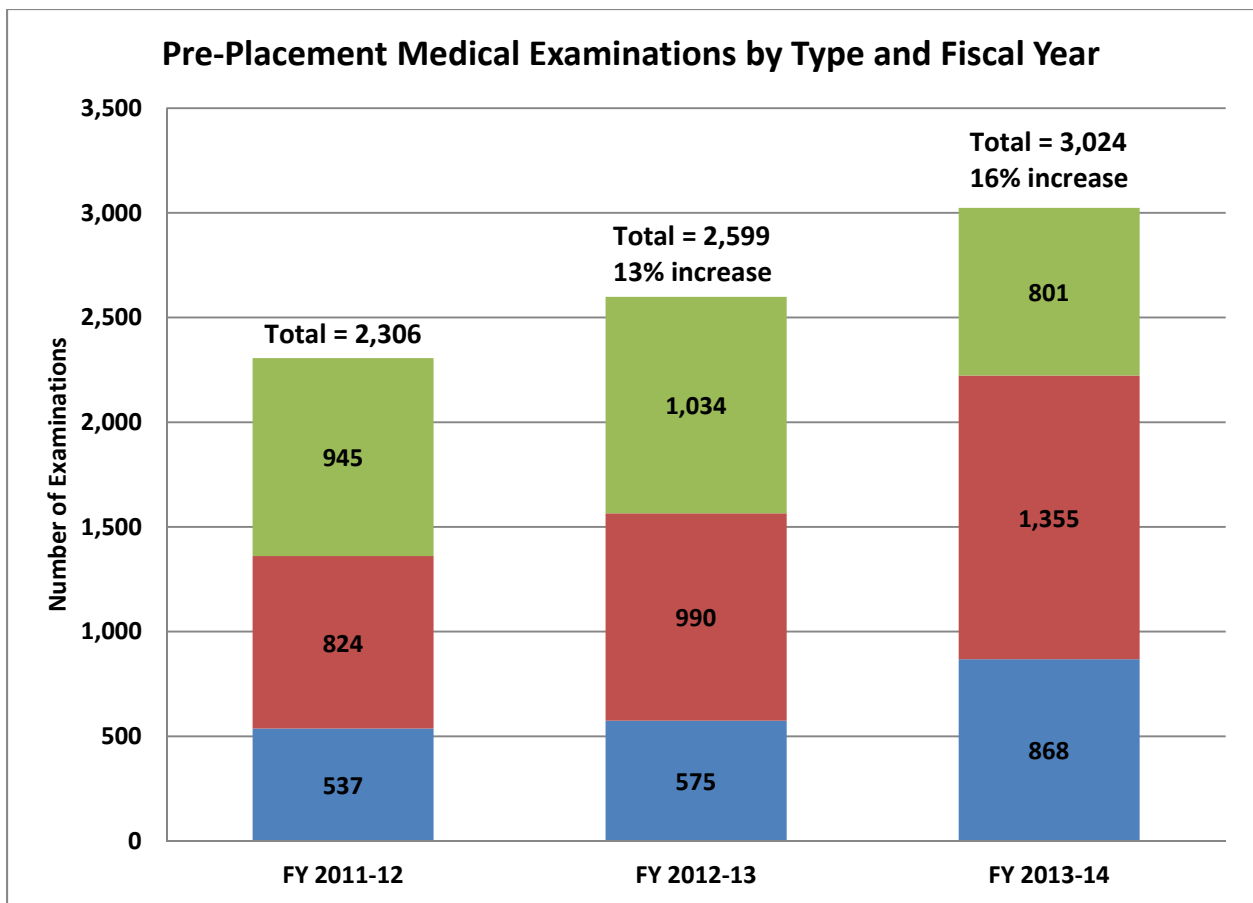
# OCCUPATIONAL HEALTH PROGRAMS

The Occupational Health Programs (OHP) Section, within the CEO Risk Management Branch, administers medical and psychological standards and programs for pre-placement, fitness for duty, and periodic examinations, as well as the Employee Assistance Program. The functions and programs include the following:

- Pre-placement medical/psychological examinations.
- Periodic medical examinations for employees, including the “Fitness-for-Life!” program.
- Drug and alcohol testing, including Reasonable Suspicion Testing and testing of commercial drivers as required by the Federal Department of Transportation.

## PRE-PLACEMENT MEDICAL EXAMINATIONS

Countywide hiring increased, requiring OHP to provide a total of 3,024 pre-placement examinations in FY 2013-14. This is a 16.3 percent increase over FY 2012-13, and a 31.1 percent increase over FY 2011-12.

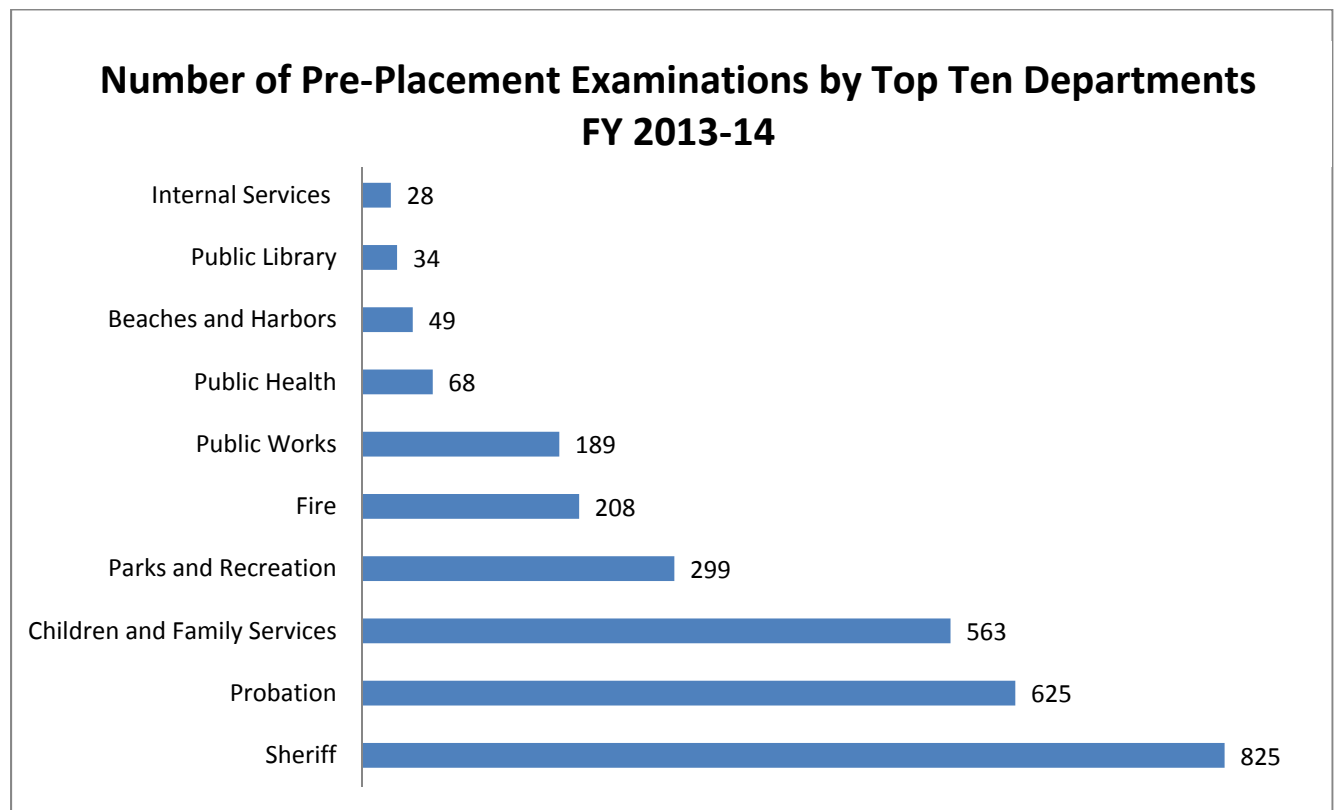


## NUMBER OF PRE-PLACEMENT EXAMINATIONS BY TOP DEPARTMENTS – FY 2013-14

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OHP partnered with the Department of Children and Family Services (DCFS) to ensure success in meeting critical hiring objectives by fast tracking the pre-placement medical examination and review process. OHP completed the review of 563 candidates in FY 2013-14, and an additional 322 candidates in the first quarter of FY 2014-15, to meet hiring deadlines for DCFS set by the Board and negotiated with SEIU Local 721 (Service Employees International Union).

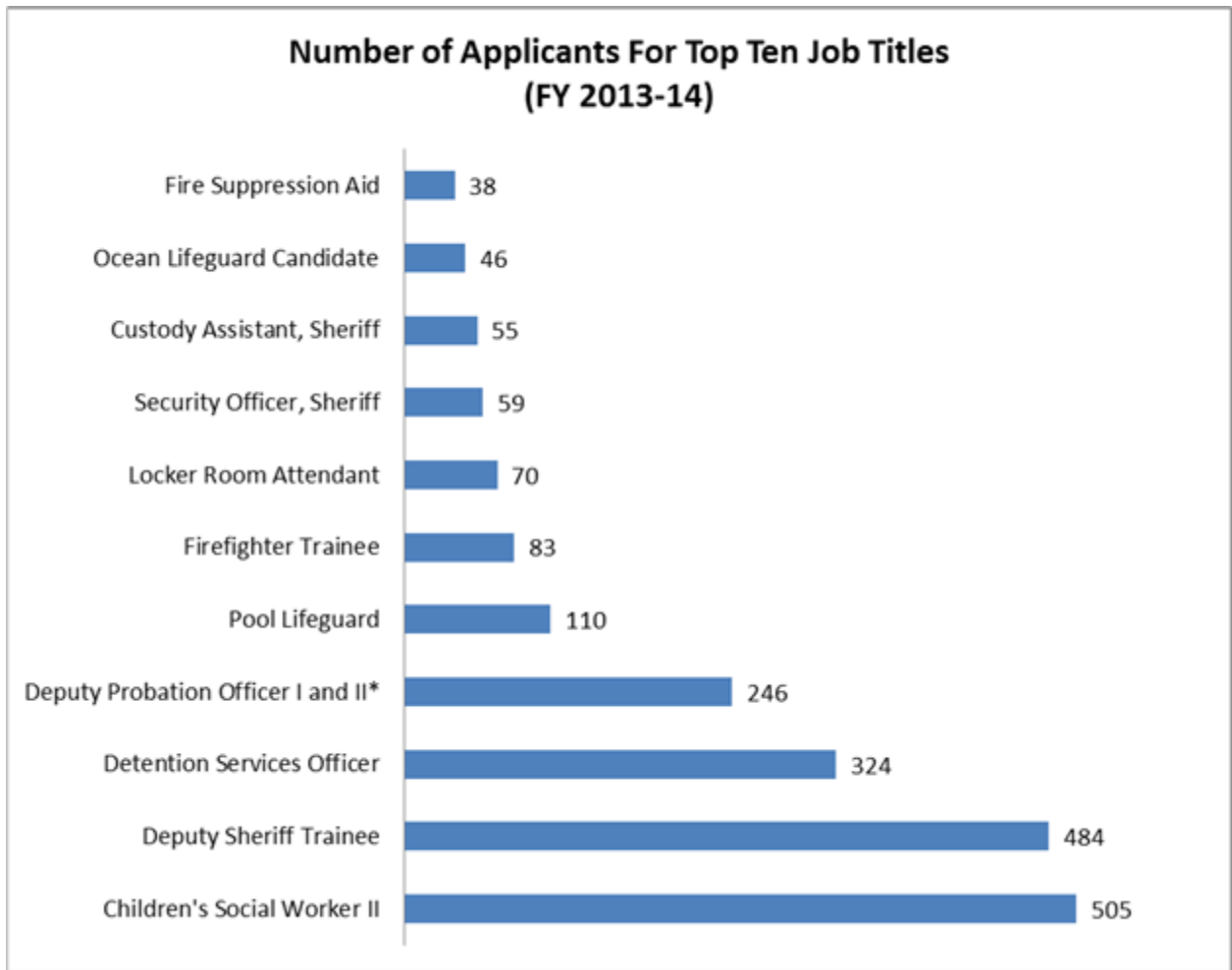
In addition, OHP expedited medical examination reviews for 625 candidates for Probation, contributing to successful results in meeting hiring deadlines to fill academies scheduled in FY 2013-14.



## NUMBER OF APPLICANTS FOR TOP TEN JOB TITLES – FY 2013-14

OHP initiated and implemented an in-house clinic for pre-placement medical examinations and provided 147 in-house clinics with same-day results at a savings to departments of \$13,500 in direct and indirect costs.

OHP improved pre-placement testing protocols for color vision testing by initiating and implementing a change to the color vision testing protocol to increase accuracy and reliability of results, and protect the security and integrity of the color vision testing procedures. The screening test was changed to reduce the likelihood that applicants would be able to successfully pass by learning the answers online. Additionally, applicants who fail the new screening test are then given a proprietary computerized test that directly assesses their ability to name colors. This test was developed and validated in-house, and has greatly increased the accuracy and reliability of work-fitness determinations on applicants for classifications that require color vision.

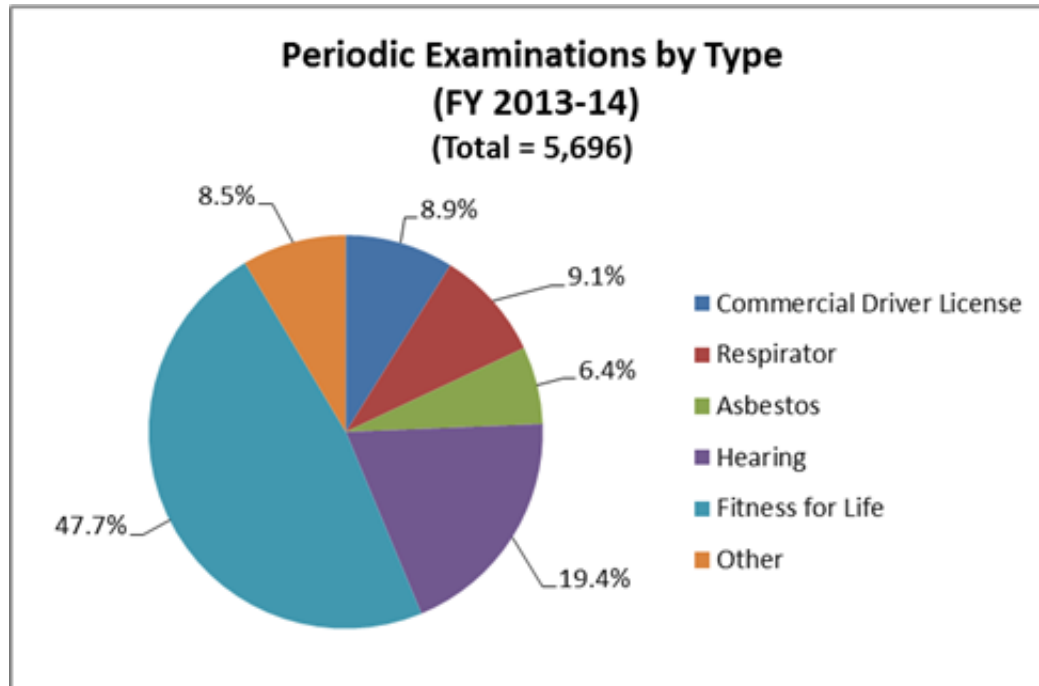


\*Includes DPO I and II, Field and Residential Treatment

### TOTAL PERIODIC EXAMINATIONS BY TYPE – FY 2013-14

OHP provided 5,696 periodic examinations as required by the California Occupational Safety and Health Administration, Department of Transportation, and contract agreements with employee unions.

OHP partnered with the departments of Parks and Recreation and Fire to provide 2,718 “Fitness-for-Life!” wellness examinations in accordance with contract language setting standards for wellness bonuses for designated positions.



## DRUG AND ALCOHOL TESTING

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OHP established a new contract for the provision of employee drug and alcohol testing in compliance with Federal requirements for commercial drivers, and with County policy, labor contracts, and monitoring agreements for periodic and reasonable suspicion drug testing for employees.

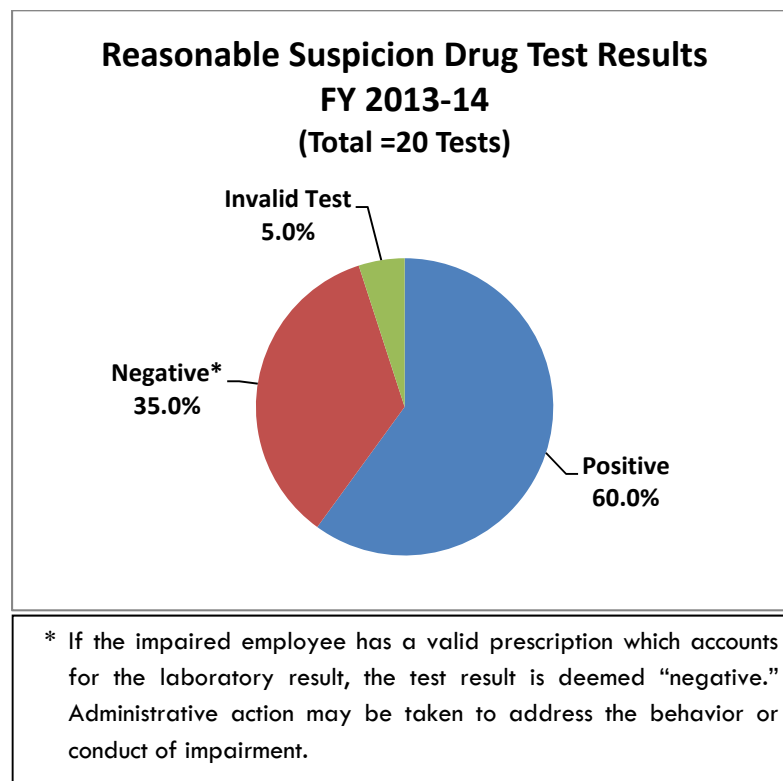
OHP provided drug and alcohol monitoring for over 1,000 commercial drivers, as required by Federal Department of Transportation regulations; and also conducted a total of 493 drug tests and 96 alcohol tests, with three verified positive drug test results during FY 2013-14. Departments with the highest numbers of commercial drivers are Public Works (503), Sheriff (319), and Probation (69).

Additionally, OHP provided reasonable suspicion drug testing for employees suspected of being under the influence of drugs and/or alcohol, and provided line departments with guidance and/or recommendations when there were positive test results.

### REASONABLE SUSPICION DRUG TEST RESULTS – FY 2013-14

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OHP provided training and outreach to County departments to promote OHP services and programs such as reasonable suspicion testing protocols, Federal Department of Transportation drug and alcohol testing protocols, Employee Assistance Program, and medical and psychological re-evaluation procedures. This was completed through presentations to departmental Risk Management Coordinators, Return-to-Work Coordinators, and Human Resources Managers, as well as Countywide meetings on selected issues.



## **OCCUPATIONAL HEALTH PROGRAM'S OBJECTIVES – FY 2014-15**

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- Expand clinic capacity by opening a new clinic for pre-placement and periodic medical examinations with the goal of reducing appointment waiting time, providing additional sites for the convenience of candidates and employees, and reducing length of hiring time for departments.
- Assess and anticipate hiring needs of departments by forecasting trends based on budget priorities, position requests, academy schedules, and other factors to meet internal and external staffing needs using survey tools to enhance communication.
- Develop and enhance communication channels, including email blasts, customer service surveys, and website enhancements to provide information and updates to departments, and receive feedback from customers regarding service delivery issues.
- Establish, monitor, and meet a performance standard for appointment waiting time of no more than 10 working days for pre-placement medical appointments at all clinics during 90 percent of the time.
- Establish, monitor, and meet a performance standard for disposition of status for all medical charts of no more than 30 calendar days during 90 percent of the time.
- Partner with the California Peace Officer Standards and Training Commission (POST) to further validate the computerized color vision test for possible incorporation in the Medical Screening Manual for California Law Enforcement.

# STATISTICS

## FY 2011-12 TO FY 2013-14

All Claims Frequency and Expense Summary .....	Exhibit A
Workers' Compensation Claim Frequency and Expense Summary .....	Exhibit B
State of California Labor Code 4850 and Salary Continuation Expense Summary .....	Exhibit C
Vehicle Liability Claim Frequency and Expense Summary .....	Exhibit D
General Liability Claim Frequency and Expense Summary .....	Exhibit E
General Liability / Law Enforcement Liability Claim Frequency and Expense Summary .....	Exhibit E-1
General Liability / Employment Practices Liability Claim Frequency and Expense Summary .....	Exhibit E-2
Medical Malpractice Claim Frequency and Expense Summary .....	Exhibit F
Cost of Risk Detail .....	Exhibit G

## EXHIBIT A

### ALL CLAIMS FREQUENCY AND EXPENSE SUMMARY FY 2011-12 THROUGH FY 2013-14

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$42,488	0	\$0
Agricultural Commissioner/Weights and Measures	56	\$753,824	46	\$747,885	59	\$939,373
Alternate Public Defender	6	\$214,469	6	\$119,720	7	\$263,768
Animal Care and Control	127	\$1,700,575	123	\$1,192,100	104	\$985,614
Assessor	56	\$1,081,561	67	\$1,181,527	50	\$1,045,248
Auditor-Controller	25	\$360,678	106	\$709,733	45	\$4,555,293
Beaches and Harbors	27	\$1,240,506	36	\$685,209	38	\$735,737
Board of Supervisors	25	\$1,725,593	21	\$719,886	38	\$736,045
Chief Executive Office	37	\$10,597,597	11	\$2,350,868	20	\$3,054,608
Chief Information Office	4	\$8,352	0	\$24,614	0	\$2,574
Child Support Services	159	\$4,741,710	118	\$4,822,371	135	\$4,254,391
Children and Family Services	582	\$21,553,546	524	\$19,427,058	503	\$21,159,713
Community and Senior Services	38	\$2,073,426	35	\$2,560,586	18	\$836,901
Consumer Affairs	1	\$16,125	3	\$91,246	4	\$38,056
Coroner	33	\$836,901	31	\$1,119,307	44	\$1,245,178
County Counsel	10	\$576,235	21	\$427,509	19	\$603,175
District Attorney	182	\$5,682,750	121	\$5,050,200	138	\$6,054,865
Fire	1,455	\$71,910,990	1,467	\$74,458,558	1,530	\$82,714,409
Health Services	1,965	\$70,361,004	1,922	\$59,846,731	2,163	\$65,093,435
Human Resources	9	\$187,098	17	\$318,041	9	\$399,752
Internal Services	157	\$4,679,302	130	\$4,795,375	111	\$3,961,564
LACERA	12	\$574,455	13	\$545,480	9	\$708,032
Mental Health	294	\$7,923,556	330	\$8,864,956	323	\$8,504,117
Military and Veterans Affairs	5	\$24,415	2	\$38,100	1	\$35,066
Museum of Art	4	\$67,249	4	\$108,823	5	\$56,625
Museum of Natural History	0	\$233,503	2	\$135,773	4	\$165,701
Non-Jurisdictional	539	\$3,646,309	593	\$769,389	677	\$728,595
Office of Public Safety	5	\$1,666,404	1	\$2,842,022	2	\$2,609,922
Parks and Recreation	422	\$5,252,975	283	\$5,103,924	286	\$6,039,471
Pending Assignment	5	\$0	0	\$0	4	\$0
Probation	796	\$38,075,783	760	\$37,562,060	835	\$35,006,657
Public Defender	64	\$1,100,922	63	\$1,344,367	65	\$1,667,255
Public Health	210	\$8,458,734	231	\$8,790,393	266	\$8,786,669
Public Library	68	\$855,576	57	\$908,717	39	\$751,838
Public Social Services	1,054	\$36,499,088	1,038	\$39,600,631	976	\$38,993,582
Public Works	1,021	\$24,832,153	649	\$13,850,576	639	\$11,758,952
Regional Planning	15	\$898,996	14	\$506,281	19	\$436,545
Registrar-Recorder/County Clerk	69	\$2,876,125	92	\$2,534,496	105	\$2,716,447
Sheriff	5,785	\$167,521,124	5,722	\$184,545,668	6,100	\$185,037,420
Superior Court	294	\$10,584,102	253	\$11,782,891	245	\$10,822,695
Treasurer and Tax Collector	73	\$1,291,877	80	\$1,240,068	110	\$1,624,746
<b>TOTAL<sup>4</sup></b>	<b>15,423</b>	<b>\$512,685,589</b>	<b>14,870</b>	<b>\$501,765,627</b>	<b>15,588</b>	<b>\$515,130,034</b>

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the Workers' Compensation Status Report. Amount Paid includes indemnity and legal fees and expenses. Does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 and Salary Continuation payments. Data does not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT B****WORKERS' COMPENSATION CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	40	\$651,621	36	\$680,105	47	\$819,003
Alternate Public Defender	4	\$198,843	6	\$118,647	4	\$187,311
Animal Care and Control	99	\$726,277	100	\$930,196	91	\$736,297
Assessor	35	\$847,609	26	\$886,901	25	\$782,201
Auditor-Controller	15	\$324,678	24	\$427,583	15	\$402,017
Beaches and Harbors	18	\$622,327	18	\$512,440	16	\$518,521
Board of Supervisors	9	\$641,617	11	\$236,212	12	\$147,596
Chief Executive Office	13	\$339,216	9	\$619,979	14	\$462,924
Chief Information Office	4	\$8,352	0	\$19,751	0	\$2,574
Child Support Services	136	\$4,207,182	104	\$4,516,158	122	\$3,955,429
Children and Family Services	383	\$15,417,133	372	\$15,287,529	352	\$16,311,461
Community and Senior Services	10	\$951,878	15	\$900,372	12	\$730,153
Consumer Affairs	0	\$16,125	3	\$91,246	3	\$38,056
Coroner	19	\$737,028	17	\$1,062,565	19	\$815,555
County Counsel	9	\$548,875	17	\$405,474	11	\$535,438
District Attorney	82	\$3,919,214	62	\$3,652,820	78	\$4,402,212
Fire	1,328	\$47,672,830	1,321	\$49,444,811	1,388	\$52,780,490
Health Services	1,431	\$46,589,989	1,541	\$41,665,987	1,545	\$39,298,786
Human Resources	8	\$156,879	16	\$280,234	9	\$290,226
Internal Services	98	\$4,201,006	92	\$3,911,594	87	\$3,228,108
LACERA	12	\$563,519	13	\$479,530	9	\$659,749
Mental Health	213	\$6,717,114	272	\$7,189,608	248	\$7,273,897
Military and Veterans Affairs	4	\$10,834	2	\$32,585	1	\$35,066
Museum of Art	3	\$67,249	1	\$104,708	3	\$52,609
Museum of Natural History	0	\$128,228	1	\$135,773	2	\$159,259
Non-Jurisdictional	0	\$0	4	\$0	0	\$0
Office of Public Safety <sup>4</sup>	3	\$2,969,232	1	\$2,524,592	2	\$2,426,698
Parks and Recreation	202	\$3,920,887	191	\$3,591,369	210	\$3,483,774
Pending Assignment	4	\$0	0	\$0	3	\$0
Probation	727	\$27,328,288	679	\$28,529,360	756	\$25,813,250
Public Defender	41	\$747,269	34	\$1,004,954	46	\$1,087,241
Public Health	169	\$6,884,337	189	\$6,879,942	214	\$6,240,479
Public Library	58	\$824,764	46	\$872,357	36	\$597,968
Public Social Services	1,014	\$34,510,222	980	\$37,597,979	918	\$37,345,296
Public Works	258	\$5,420,225	205	\$6,436,340	173	\$5,901,543
Regional Planning	1	\$199,398	2	\$237,525	5	\$196,030
Registrar-Recorder/County Clerk	59	\$2,584,556	66	\$2,124,794	80	\$2,326,406
Sheriff	3,938	\$104,439,147	4,119	\$110,938,044	4,121	\$110,576,477
Superior Court	294	\$10,124,898	253	\$10,948,597	245	\$10,144,309
Treasurer and Tax Collector	25	\$1,050,095	19	\$935,413	23	\$1,408,153
<b>TOTAL</b>	<b>10,766</b>	<b>\$337,268,942</b>	<b>10,867</b>	<b>\$346,214,074</b>	<b>10,945</b>	<b>\$342,172,562</b>

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 and Salary Continuation payments.
2. Amounts shown as listed on the Workers' Compensation Status Report.
3. Superior Court expenses are billed to the State of California; these expenses are not controllable by the County as these are State of California employees.
4. The Office of Public Safety was consolidated with the Sheriff's Department in FY 2010-11.

**EXHIBIT C****STATE LABOR CODE 4850 AND SALARY CONTINUATION EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12	FY 2012-13	FY 2013-14
	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>	Amount Paid <sup>1</sup>
Affirmative Action Compliance	\$0	\$0	\$0
Agricultural Commissioner/Weights and Measures	\$33,444	\$17,496	\$52,053
Alternate Public Defender	\$9,682	\$0	\$76,353
Animal Care and Control	\$96,559	\$59,072	\$40,275
Assessor	\$46,326	\$24,955	\$12,016
Auditor-Controller	\$8,195	\$84,147	\$38,349
Beaches and Harbors	\$40,962	\$25,402	\$25,013
Board of Supervisors	\$6,161	\$0	\$16,282
Chief Executive Office	\$41,823	\$63,116	\$95,657
Chief Information Office	\$0	\$4,863	\$0
Child Support Services	\$138,585	\$128,608	\$199,705
Children and Family Services	\$572,217	\$870,952	\$1,045,182
Community and Senior Services	\$51,626	\$90,695	\$17,847
Consumer Affairs	\$0	\$0	\$0
Coroner	\$2,914	\$5,390	\$27,218
County Counsel	\$13,300	\$17,484	\$24,690
District Attorney	\$207,950	\$400,747	\$451,278
Fire	\$21,617,102	\$22,021,731	\$24,884,374
Health Services	\$2,247,793	\$2,295,280	\$2,514,743
Human Resources	\$13,561	\$33,649	\$109,526
Internal Services	\$124,647	\$219,084	\$137,790
LACERA	\$10,936	\$65,950	\$48,283
Mental Health	\$301,245	\$574,983	\$508,951
Military and Veterans Affairs	\$13,581	\$5,515	\$0
Museum of Art	\$0	\$3,954	\$0
Museum of Natural History	\$0	\$0	\$1,382
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$0	\$0	\$0
Parks and Recreation	\$163,232	\$218,144	\$240,071
Pending Assignment	\$0	\$0	\$0
Probation	\$8,162,015	\$7,459,851	\$6,581,912
Public Defender	\$17,819	\$124,362	\$109,091
Public Health	\$356,370	\$393,708	\$390,426
Public Library	\$19,812	\$5,811	\$29,837
Public Social Services	\$1,262,485	\$1,282,576	\$1,099,541
Public Works	\$379,842	\$471,566	\$280,331
Regional Planning	\$0	\$0	\$0
Registrar-Recorder/County Clerk	\$98,586	\$141,442	\$121,145
Sheriff	\$24,136,854	\$28,958,691	\$32,606,250
Superior Court	\$459,204	\$834,294	\$678,386
Treasurer and Tax Collector	\$34,078	\$75,284	\$65,315
<b>TOTAL</b>	<b>\$60,688,906</b>	<b>\$66,978,802</b>	<b>\$72,529,272</b>

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegaIA expense.

**EXHIBIT D****VEHICLE LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	7	\$22,889	4	\$9,960	8	\$42,411
Alternate Public Defender	0	\$0	0	\$0	3	\$104
Animal Care and Control	3	\$32,546	4	\$23,578	3	\$51,128
Assessor	5	\$5,612	6	\$10,191	0	\$12,211
Auditor-Controller	0	\$0	0	\$0	1	\$150
Beaches and Harbors	2	\$346,579	4	\$6,619	6	\$21,357
Board of Supervisors	5	\$5,295	1	\$2,656	9	\$7,981
Chief Executive Office	4	\$12,101	0	\$0	1	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	2	\$0	2	\$1,216	1	\$12,044
Children and Family Services	58	\$194,325	44	\$229,812	35	\$248,154
Community and Senior Services	2	\$3,560	8	\$7,979	3	\$48,510
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	2	\$6,941	5	\$13,607	5	\$17,625
County Counsel	0	\$0	1	\$1,504	0	\$422
District Attorney	10	\$116,660	12	\$125,409	8	\$22,564
Fire	84	\$517,746	105	\$639,333	86	\$658,226
Health Services	8	\$44,039	15	\$22,037	16	\$4,055,368
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	26	\$119,000	19	\$136,511	17	\$25,322
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	18	\$51,390	19	\$188,139	12	\$104,664
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	1	\$5,060
Non-Jurisdictional	109	\$40,124	93	\$27,950	114	\$30,970
Office of Public Safety	0	\$123,208	0	\$44,589	0	\$0
Parks and Recreation	26	\$151,595	18	\$100,832	16	\$187,563
Pending Assignment	1	\$0	0	\$0	0	\$0
Probation	15	\$164,802	11	\$17,069	13	\$52,234
Public Defender	3	\$49,821	6	\$70,217	3	\$266,748
Public Health	11	\$72,717	19	\$28,997	8	\$108,316
Public Library	4	\$11,000	2	\$4,390	0	\$28,317
Public Social Services	7	\$20,534	8	\$41,665	21	\$23,696
Public Works	89	\$1,020,027	83	\$274,420	82	\$365,274
Regional Planning	0	\$8,121	0	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$0	4	\$2,639	2	\$903
Sheriff	441	\$7,263,309	401	\$5,995,028	387	\$4,282,315
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	2	\$0
<b>TOTAL<sup>4</sup></b>	<b>942</b>	<b>\$10,403,941</b>	<b>894</b>	<b>\$8,026,347</b>	<b>863</b>	<b>\$10,679,637</b>

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT E****GENERAL LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$42,488	0	\$0
Agricultural Commissioner/Weights and Measures	9	\$45,870	6	\$40,324	4	\$25,906
Alternate Public Defender	2	\$5,944	0	\$1,073	0	\$0
Animal Care and Control	25	\$845,193	19	\$179,254	10	\$157,914
Assessor	16	\$182,014	35	\$259,480	25	\$238,820
Auditor-Controller	10	\$27,805	82	\$198,003	29	\$4,114,777
Beaches and Harbors	7	\$230,638	14	\$140,748	16	\$170,846
Board of Supervisors	11	\$1,072,520	9	\$481,018	17	\$564,186
Chief Executive Office	20	\$10,204,457	2	\$1,667,773	5	\$2,496,027
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	21	\$395,943	12	\$176,389	12	\$87,213
Children and Family Services	141	\$5,362,973	108	\$3,038,765	116	\$3,554,916
Community and Senior Services	25	\$1,061,593	9	\$1,561,524	3	\$40,391
Consumer Affairs	1	\$0	0	\$0	1	\$0
Coroner	10	\$89,848	5	\$37,745	15	\$352,619
County Counsel	1	\$14,060	3	\$3,047	8	\$42,625
District Attorney	90	\$1,438,926	45	\$871,224	51	\$1,178,706
Fire	31	\$1,834,015	31	\$1,986,561	35	\$2,845,448
Health Services	273	\$7,094,900	117	\$4,022,294	391	\$4,730,446
Human Resources	1	\$16,658	1	\$4,158	0	\$0
Internal Services	33	\$234,649	19	\$528,186	7	\$570,344
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	43	\$819,433	27	\$866,803	39	\$535,104
Military and Veterans Affairs	1	\$0	0	\$0	0	\$0
Museum of Art	1	\$0	3	\$161	2	\$4,016
Museum of Natural History	0	\$105,275	1	\$0	1	\$0
Non-Jurisdictional	391	\$636,953	475	\$740,597	550	\$692,880
Office of Public Safety	1	\$1,543,096	0	\$272,841	0	\$183,224
Parks and Recreation	194	\$1,017,261	74	\$1,193,579	60	\$2,128,063
Pending Assignment	0	\$0	0	\$0	1	\$0
Probation	52	\$2,413,945	70	\$1,551,865	61	\$2,523,332
Public Defender	20	\$286,013	23	\$144,834	14	\$204,073
Public Health	22	\$1,102,123	17	\$1,055,765	43	\$2,013,678
Public Library	6	\$0	9	\$26,159	3	\$95,716
Public Social Services	33	\$705,847	50	\$678,411	37	\$525,049
Public Works	674	\$18,012,059	361	\$6,668,250	384	\$5,211,804
Regional Planning	14	\$691,477	12	\$268,756	14	\$240,515
Registrar-Recorder/County Clerk	10	\$192,983	22	\$265,621	23	\$267,993
Sheriff	1,394	\$31,515,282	1,175	\$38,521,543	1,524	\$37,321,496
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	48	\$207,704	61	\$229,371	85	\$151,278
<b>TOTAL<sup>4</sup></b>	<b>3,380</b>	<b>\$89,407,457</b>	<b>2,789</b>	<b>\$67,724,610</b>	<b>3,470</b>	<b>\$73,269,405</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT E – 1 (SUBSET OF EXHIBIT E)****GENERAL LIABILITY / LAW ENFORCEMENT LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	0	\$0	0	\$0	0	\$0
Alternate Public Defender	1	\$109	0	\$1,073	0	\$0
Animal Care and Control	0	\$0	0	\$0	0	\$0
Assessor	0	\$0	0	\$0	0	\$0
Auditor-Controller	0	\$0	0	\$0	0	\$0
Beaches and Harbors	0	\$0	0	\$0	2	\$0
Board of Supervisors	0	\$13,901	2	\$0	0	\$0
Chief Executive Office	0	\$0	0	\$0	0	\$0
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	0	\$0	0	\$0	0	\$0
Children and Family Services	0	\$36,370	1	\$28,834	1	\$6,106
Community and Senior Services	0	\$0	4	\$0	0	\$18,155
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	0	\$0	0	\$0	2	\$3,761
County Counsel	0	\$0	2	\$0	1	\$0
District Attorney	48	\$161,707	24	\$473,395	33	\$230,322
Fire	1	\$5	2	\$14,562	1	\$0
Health Services	4	\$0	3	\$2,171	3	\$26,264
Human Resources	0	\$0	0	\$0	0	\$0
Internal Services	0	\$0	0	\$0	0	\$0
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	3	\$23,509	0	\$53,541	0	\$7,980
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	57	\$4,192	29	\$4,468	28	\$8,860
Office of Public Safety	0	\$294,713	0	\$680	0	\$0
Parks and Recreation	0	\$0	0	\$0	0	\$0
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	5	\$534,671	9	\$547,763	7	\$915,531
Public Defender	6	\$14,371	9	\$23,130	7	\$23,919
Public Health	0	\$0	0	\$0	12	\$0
Public Library	0	\$0	0	\$0	0	\$0
Public Social Services	1	\$0	0	\$0	1	\$0
Public Works	0	\$0	0	\$0	0	\$0
Regional Planning	0	\$0	0	\$0	1	\$0
Registrar-Recorder/County Clerk	0	\$0	0	\$0	1	\$130
Sheriff	787	\$20,411,831	778	\$31,741,825	949	\$32,461,333
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
<b>TOTAL<sup>4</sup></b>	<b>863</b>	<b>\$21,495,379</b>	<b>828</b>	<b>\$32,891,442</b>	<b>1,003</b>	<b>\$33,702,361</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT E – 2 (SUBSET OF EXHIBIT E)****GENERAL LIABILITY / EMPLOYMENT PRACTICES LIABILITY CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
Affirmative Action Compliance	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	2	\$23,255	1	\$39,564	1	\$19,415
Alternate Public Defender	0	\$0	0	\$0	0	\$0
Animal Care and Control	0	\$32,895	1	\$0	1	\$326
Assessor	1	\$11,901	0	\$33,114	1	\$769
Auditor-Controller	0	\$0	0	\$15,097	2	\$111,413
Beaches and Harbors	0	\$0	0	\$0	0	\$0
Board of Supervisors	2	\$35,304	1	\$518	1	\$155,380
Chief Executive Office	1	\$863,384	0	\$168,200	1	\$191,050
Chief Information Office	0	\$0	0	\$0	0	\$0
Child Support Services	1	\$310,808	1	\$141,576	1	\$60,601
Children and Family Services	10	\$1,196,668	13	\$336,912	13	\$607,053
Community and Senior Services	23	\$827,373	0	\$1,299,271	0	\$3,940
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	0	\$0	0	\$0	0	\$0
County Counsel	1	\$3,366	1	\$2,938	2	\$36,791
District Attorney	4	\$981,861	3	\$204,500	0	\$396,378
Fire	7	\$1,510,722	14	\$1,743,555	11	\$2,675,831
Health Services	35	\$4,018,326	21	\$2,638,886	20	\$2,613,523
Human Resources	0	\$11,844	1	\$4,159	0	\$0
Internal Services	3	\$162,849	5	\$246,445	2	\$351,182
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	11	\$549,789	5	\$466,624	7	\$581,302
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	0	\$0
Non-Jurisdictional	9	\$2,159	5	\$0	6	\$1,907
Office of Public Safety	7	\$1,247,965	0	\$272,162	0	\$183,224
Parks and Recreation	2	\$107,661	6	\$185,029	3	\$599,940
Pending Assignment	0	\$0	0	\$0	0	\$0
Probation	13	\$1,149,685	22	\$847,335	20	\$998,040
Public Defender	2	\$249,046	1	\$107,101	2	\$156,325
Public Health	6	\$330,789	2	\$329,181	0	\$73,238
Public Library	1	\$0	1	\$10,833	0	\$65,589
Public Social Services	6	\$584,464	12	\$471,715	8	\$297,658
Public Works	9	\$1,426,606	4	\$759,247	3	\$938,038
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	0	\$14,517	2	\$21,751	0	\$0
Sheriff	53	\$7,284,542	39	\$5,369,391	56	\$2,799,559
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$103,528	3	\$174,473	0	\$90,673
<b>TOTAL<sup>4</sup></b>	<b>203</b>	<b>\$23,041,307</b>	<b>164</b>	<b>\$15,889,577</b>	<b>158</b>	<b>\$14,009,145</b>

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT F****MEDICAL MALPRACTICE CLAIM FREQUENCY AND EXPENSE SUMMARY  
FY 2011-12 THROUGH FY 2013-14**

Department	FY 2011-12		FY 2012-13		FY 2013-14	
	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)	# New Claims	Amount Paid <sup>1,2,3</sup> (all claims)
DHS – Ambulatory Care Network	31	\$826,383	20	\$540,771	14	\$532,981
DHS – Harbor-UCLA Medical Center	87	\$8,311,075	100	\$1,383,226	62	\$1,690,264
DHS – Juvenile Court Health Services	2	\$38	0	\$191	1	\$0
DHS – LAC+USC Medical Center	108	\$1,980,075	126	\$9,361,095	108	\$11,670,405
DHS – Olive View-UCLA Medical Center	33	\$439,872	21	\$461,056	33	\$356,732
DHS – Rancho Los Amigos	3	\$2,826,840	5	\$94,794	5	\$243,710
<b>Health Services Subtotal<sup>4</sup></b>	<b>253</b>	<b>\$14,384,283</b>	<b>249</b>	<b>\$11,841,133</b>	<b>211</b>	<b>\$14,494,092</b>
Children and Family Services	0	\$6,898	0	\$0	0	\$0
Community and Senior Services	1	\$4,769	3	\$16	0	\$0
Coroner	2	\$170	4	\$0	5	\$32,161
District Attorney	0	\$0	2	\$0	1	\$105
Fire	12	\$269,297	10	\$366,122	21	\$1,545,871
Mental Health	20	\$34,374	12	\$45,423	24	\$81,501
Non-Jurisdictional	39	\$0	21	\$842	13	\$4,745
Office of Public Safety	1	\$100	0	\$0	0	\$0
Probation	2	\$6,733	0	\$3,915	5	\$35,929
Public Defender	0	\$0	0	\$0	2	\$102
Public Health	8	\$43,187	6	\$431,981	1	\$33,770
Sheriff	12	\$166,532	27	\$132,362	68	\$250,882
<b>TOTAL<sup>4</sup></b>	<b>335</b>	<b>\$14,916,343</b>	<b>320</b>	<b>\$12,821,794</b>	<b>310</b>	<b>\$16,479,158</b>

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity and legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e., MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2014.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

**EXHIBIT G****COST OF RISK DETAIL**

	FY 2011-12	FY 2012-13	FY 2013-14
<b>Workers' Compensation</b>			
Benefit Expense	\$256,346,731	\$261,212,780	\$259,386,332
Loss Expense <sup>1</sup>	\$69,317,099	\$72,967,604	\$70,704,480
Administrative Expense <sup>2</sup>	\$11,605,112	\$12,033,691	\$12,081,750
<b>Workers' Compensation Expense Subtotal</b>	<b>\$337,268,942</b>	<b>\$346,214,075</b>	<b>\$342,172,562</b>
<b>Labor Code 4850 / Salary Continuation</b>	<b>\$60,688,906</b>	<b>\$66,978,802</b>	<b>\$72,529,272</b>
<b>Workers' Compensation Expense Total</b>	<b>\$397,957,848</b>	<b>\$413,192,877</b>	<b>\$414,701,834</b>
<b>Liability<sup>3, 4</sup></b>			
Vehicle Liability Indemnity Expense	\$6,151,991	\$3,088,729	\$6,639,598
General Liability Indemnity Expense	\$47,232,333	\$26,225,201	\$29,596,291
Medical Malpractice Indemnity Expense	\$12,675,953	\$10,242,308	\$12,735,910
<b>Liability Indemnity Expense Subtotal</b>	<b>\$66,060,277</b>	<b>\$39,556,238</b>	<b>\$48,971,799</b>
Vehicle Liability Legal Expense	\$4,251,950	\$4,935,886	\$4,040,039
General Liability Legal Expense	\$42,175,124	\$41,306,050	\$43,673,114
Medical Malpractice Legal Expense	\$2,240,390	\$2,579,485	\$3,743,248
<b>Liability Legal Expense Subtotal</b>	<b>\$48,667,464</b>	<b>\$48,821,421</b>	<b>\$51,456,401</b>
Liability Administrative Expense <sup>5</sup>	\$12,065,712	\$11,472,160	\$11,157,597
<b>Liability Expense Total</b>	<b>\$126,793,453</b>	<b>\$99,849,819</b>	<b>\$111,585,797</b>
<b>Purchased Insurance (premiums and fees)</b>	<b>\$17,309,648</b>	<b>\$17,628,758</b>	<b>\$17,770,156</b>
<b>Cost of Risk<sup>6, 7</sup></b>	<b>\$542,060,949</b>	<b>\$530,671,454</b>	<b>\$544,057,787</b>
<b>Total County Operating Budget</b>	<b>\$24,502,944,000</b>	<b>\$24,228,102,000</b>	<b>\$25,333,757,000</b>
<b>Cost of Risk (as percentage of County's Operating Budget)</b>	<b>2.21%</b>	<b>2.19%</b>	<b>2.15%</b>
<b>Non-County Agencies</b>			
LACERA	\$574,455	\$545,480	\$708,032
Superior Court	\$10,584,102	\$11,782,891	\$10,822,695
<b>Subtotal (Non-County agencies)</b>	<b>\$11,158,557</b>	<b>\$12,328,371</b>	<b>\$11,530,727</b>
<b>Cost of Risk (excluding non-County agencies)</b>	<b>\$530,902,392</b>	<b>\$518,343,082</b>	<b>\$532,527,060</b>
<b>Cost of Risk (excluding non-County agencies as percentage of County's Operating Budget)</b>	<b>2.17%</b>	<b>2.14%</b>	<b>2.10%</b>

1. Loss Expense includes third-party administrator fees, medical management fees, bill review fees, State User fee, etc.

2. Administrative Expense includes CEO, Auditor-Controller, and County Counsel expenses.

3. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include RBNP or IBNR reserves. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS).

4. Liability claim information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit A, Children Services dependency cases, and probate funding accounts.

5. Liability Administrative Expense includes third-party administrator fees, consulting and management fees, and CEO expenses.

6. The Cost of Risk is defined as the summation of the items listed, but does not include non-insured property claims and property damage to County-owned vehicles.

7. All amounts are paid as of June 30, 2014, as reported in the County's liability claim database, workers' compensation information system (GenIRIS), and/or the Workers' Compensation Status Report.